

AGENDA REPORT

FOR: City Council July 10, 2019
TO: Dave Zabell, City Manager Workshop Meeting: 7/8/19
FROM: Angela Pashon, City Clerk
Administrative & Community Services
SUBJECT: Presentation - Supportive Housing Model

I. REFERENCE(S):

Homeless Housing Needs Analysis

II. ACTION REQUESTED OF COUNCIL / STAFF RECOMMENDATIONS:

Discussion

III. FISCAL IMPACT:

IV. HISTORY AND FACTS BRIEF:

At the Council Workshop February 26, 2018, representatives presented from several community housing resources. Presenters indicated the absence of low-barrier housing as a significant factor in local homelessness.

In mid-2018, Hot Spotters created a work group to explore options that would provide additional low-barrier housing options in our region. The work group identified the Catholic Charities of Eastern Washington's (CCEW) supportive housing model. Through coordination with the Consistent Care and CCEW, a market study was conducted. The market study confirmed the need for a supportive housing project in the Tri-Cities region as discussed during the aforementioned housing workshop.

CCEW had developed, owns and operates several low-barrier projects in the Spokane-metro area.

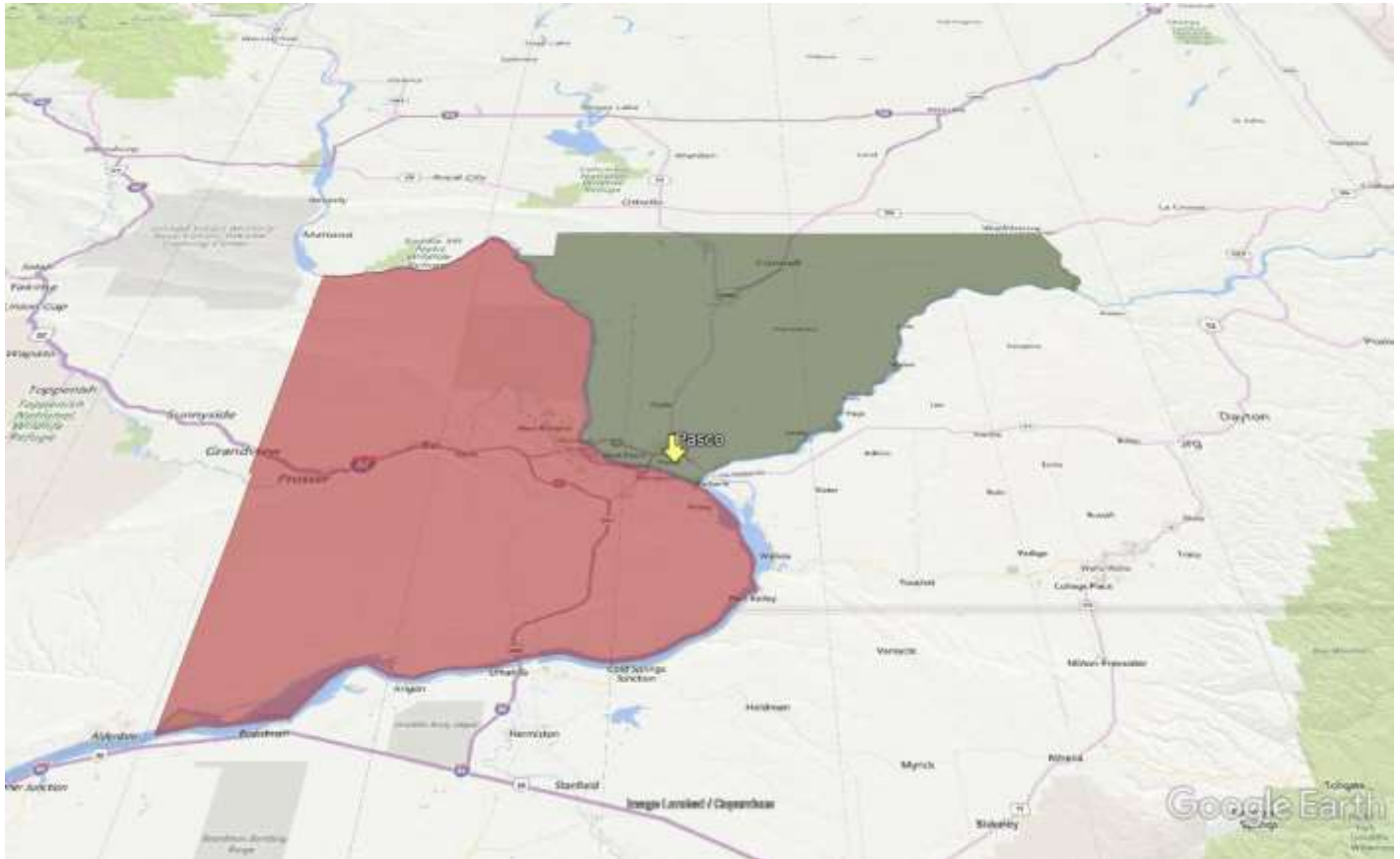
V. DISCUSSION:

CCEW has been evaluating the possibility of a similar development in the Tri-Cities. Jonathan Mallahan, Vice President of Housing for CCEW, will provide an overview of the supportive housing model and how this model has been implemented in Spokane.

Market Study

Homeless Housing Needs Analysis | Pasco, Washington

as of January 16, 2019



Prepared for

Catholic Charities Spokane
Robert J. McCann

Prepared by

Jeremy Streufert, MAI
KM Job A18-0762

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January 16, 2019

Robert J. McCann
Catholic Charities Spokane
12 E. 5th Ave.
Spokane, WA 99202

RE: Homeless Housing Needs Analysis
To Be Determined
Pasco, WA

Dear Dr. Robert McCann:

At your request, I have prepared a Market Study that examines the need for affordable housing in the greater Tri-Cities market concentrating on the homeless and unstably housed demographic. This study seeks to establish baseline need to support a prototype 50-unit permanent supportive housing project intended to serve homeless households with a preference/priority for the chronically homeless in the greater Tri-Cities area. It is noted there is no specific property or project identified and this analysis is general in scope.

This study has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). In addition, our services comply with and are subject to the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

I hope that the study that follows will assist you and I appreciate the opportunity to be of service.

Respectfully submitted,



Jeremy P. Streufert, MAI
State-certified General Real Estate
Appraiser #1101799
JPS/sh

Certification

I certify that, to the best of our knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- 4) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 5) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 6) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 7) The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 8) I have not made a personal inspection of the property that is the subject of this report. There is no specific subject property that is part of this analysis.
- 9) I have not provided professional appraisal or consulting services concerning the subject property within the past three years.
- 10) No one provided significant real property appraisal assistance to the persons signing this certification.
- 11) The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 13) As of the date of this report, Jeremy Streufert, MAI have completed the continuing education program for Designated Members of the Appraisal Institute.



Jeremy P. Streufert, MAI
State-certified General Real Estate
Appraiser #1101799

Limiting Conditions

Limiting conditions specific to this appraisal are:

- 1) Physical dimensions for the property were taken from public records or from information provided, and the appraiser assumes no responsibility in connection with such matters. Any sketch or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.
- 2) It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures (including asbestos, soil contamination, or unknown environmental factors) that render it more or less valuable. No responsibility is assumed for such conditions or for arranging the studies that may be required to discover them.
- 3) No responsibility is assumed for the legal description or for matters including legal or title considerations.
- 4) The information identified in this report as being furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 5) The appraiser is not required to give testimony or attendance in court by reason of this appraisal unless arrangements have previously been made.
- 6) The allocation of total value to land, buildings, or any fractional part or interest as shown in this report, is invalidated if used separately in conjunction with any other appraisal.
- 7) Valuation Advisory Services is a subsidiary of Kidder Mathews, a full service commercial real estate brokerage firm. On occasion, employees or agents of the firm have interests in the property being appraised. When present, interests have been disclosed, and the report has been made absent of any influence from these parties.

RESTRICTION UPON DISCLOSURE & USE:

Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which they are connected, or any reference to the Appraisal Institute or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the appraiser. No part of this report or any of the conclusions may be included in any offering statement, memorandum, prospectus or registration without the prior written consent of the appraiser.

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Executive Summary

Executive Summary

Purpose of Study This market study seeks to establish baseline need for a prototype 50-unit permanent supportive housing project intended to serve homeless households with a preference/priority for the chronically homeless in the greater Tri-Cities area. It is noted there is no specific property or project identified and this analysis is general in scope.

Scope of Study The basic outline of this market study includes a conceptual description of a typical 50-unit prototype permanent supportive housing project. This follows with a general Demographic and Housing Profile for the Tri-Cities area. A Homelessness Profile is then presented that narrows from nationwide trends to data that can be ascertained at a local level. Finally, an estimate of baseline demand to support a 50-unit prototype project is reconciled the preceding analysis. The bulk of the data presented comes from government sources such as the US Census, HUD, Washington State Department of Commerce with supplemental input from local service providers and stakeholders.

Assignment Conditions The analyses and conclusions in this report are based on the following definitions and concepts.

SERVICE TYPE Market Demand Study

CLIENT AND INTENDED USER The client is Robert J. McCann of Catholic Charities Spokane; the intended user is Catholic Charities Spokane.

INTENDED USE This market study was prepared for internal planning purposes.

DATE OF REPORT January 16, 2019

DATE OF INSPECTION No site inspection was made as there is not a specific subject site at this time.

Definitions of Homelessness Definitions of what constitutes homelessness can vary by jurisdiction and within various agencies of government. The primary federal legislation defining homelessness is the McKinney-Vento Act that has two major definitions, the education definition (Section 725) and the Housing and Urban Development (HUD) definition (Section 103).

The HUD definition of homelessness (sometimes referred as “literally” homeless) used for the Point-in-Time count and homelessness programs includes individuals and families who:

- Are living in a supervised publicly or privately-operated shelter (including emergency shelter, transitional housing, and safe havens) designated to provide temporary living arrangements; or
- Have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a vehicle, park, abandoned building, bus or train station, airport, or camping ground (including any sanctioned or unsanctioned encampment location).

The education (Section 725) definition expands to include children and youth temporarily “doubled-up” (i.e. sharing housing due to loss of housing, economic hardship, or a similar reason), migrant workers and their children, as well as children living in motels. The McKinney-Vento Act requires public schools to identify homeless children (under this expanded definition).

The “chronically homeless”, are a subpopulation defined by the U.S. Department of Housing and Urban Development, the U.S. Department of Health and Human Services, and the U.S. Department of Veterans Affairs as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years.” This definition also applies to heads of household who meet the definition.

Disabling condition used here is defined as a physical disability, mental illness, depression, alcohol or drug abuse, chronic health problems, HIV/AIDS, post-traumatic stress disorder (PTSD), or a developmental disability.

Summary of Key Findings

The following are demand indicators beginning with the unstably housed narrowing to the chronically homeless population as described in the analysis presented in this report.

- In the Tri-Cities region (Franklin and Benton Counties) there are approximately 40,000 individuals (13,600 households) that fall below 100% of the poverty line. At 50% of the poverty line (individuals earning less than \$6,400 annually or roughly \$10,000 for the typical household), there are approximately 16,000 individuals (5,500 households).

- Households earning below 50% of the poverty line are much more likely to be precariously/unstably housed. These people are on the edge of becoming literally homeless and may be doubled up with friends or family or paying an extremely high proportion of their income (more than 50%) for shelter.
- The current regional vacancy rate is 1.1% with an average monthly rent of \$830 or more, which can exceed the total annual income of the typical household at 50% of the poverty line. Even with financial assistance, these households are unable to find housing that is affordable and compete with higher income households for the same housing.
- 6,350 households are severely cost burdened (housing costs are more than 50% of household income) for those households earning less than 30% of area median income. There is significant need for affordable housing for extremely low-income households.
- According to Census Data, the estimated number of “couch-homeless” staying with friends has averaged 1,900 persons over the past three years. Based on profiles from other research studies, an equal or greater number reported staying with family than friends before entering a shelter facility. The total “couch-homeless” is likely double that shown.
- In the Tri-Cities region, there were 1,431 homeless students for the 2017 academic year. An estimated 83% reported a living situation as “doubled-up” followed by hotel/motel, shelters and unsheltered. If each student had at least one parent/guardian – would infer a homeless family population of more than 2,800.
- Over the past three years, more than 2,200 people annually entered the HMIS (Homeless Management Information System) seeking housing assistance where the average person was homeless for 41 days. It is noted that these enrollments include some duplication if the person was served more than once in the same project or multiple projects.
- According the Snapshot of Homelessness, a supplemental report to the annual Point in Time (PIT) count, there were 845 literally homeless persons for the month of January in 2017 (2018 figures not yet available). Over the prior four years, this figure has averaged about 900 individuals.

- According to the 2018 annual PIT count, there were 163 homeless persons counted (80 unsheltered) on a single night in January. Over the past five years, the total homeless counted has averaged 217 persons with overall homelessness increasing 15% (6% increase in sheltered and 25% for those unsheltered).
- Of those counted during the 2018 PIT count, 26% (43 individuals) were classified as “chronically” homeless. This population has averaged about 15% of the overall homeless population (33 individuals) over the past five years and has been increasing over the past three years.
- According to figures provided by the Tri-Cities Union Gospel Mission, the largest homeless shelter in the region, more than 700 new unique individuals sought shelter in 2018.

**CHALLENGES/
LIMITATIONS**

The most conservative homeless demand estimate is the PIT count, which is a “snapshot” of the population experiencing homelessness on a given day in January. The following are challenges and limitations of the street count:

- Many homeless do not want to be located, which hampers detection during the street count – especially families, undocumented individuals and unaccompanied youth and young adults.
- Unsheltered homeless may be sleeping in vehicles and abandoned structures that are difficult to identify.
- Inherent biases in visual observation of those whose physical appearance can be mistaken for non-homeless that hide in plain sight and appear stably housed.
- May not be representative of fluctuations and compositional changes in the population either seasonally or over time.
- Recruitment of an adequate number of guides and volunteers to complete a comprehensive count can be difficult in suburban and rural areas with large geographies with limited resources
- It does not count the number of unique persons experiencing homelessness over a calendar year, which is higher than a single point in time. It undercounts those whose homelessness does not last very long but need services and emergency shelter.

Overall, the count is considered conservative and a measure of the minimum number of unsheltered individuals experiencing homelessness. The annual total could easily be greater than two to three times or more than the PIT count.

Conclusion

Based on the HMIS data supplemented with Union Gospel mission counts, there are typically 700 or more literally homeless individuals in a given year. The conservative PIT count and anecdotal support from local service providers suggest a chronically homeless population of at least 30 individuals in a given year.

The prototype project envisioned is a 50-unit permanent supportive housing project intended to serve homeless households with a preference/priority for the chronically homeless in the greater Tri-Cities area. A project of this type would require financial support from the Low-Income Housing Tax Credit Program (LIHTC) and rental assistance through HUD or other similar sources.

Assuming a 50-unit prototype project described in this report as a baseline for development, it is my opinion that baseline homeless demand (meeting the HUD definition) with a preference/priority for the chronically homeless is deep enough to support development.

Prototype Project Envisioned

Prototype Project Envisioned

Introduction

The prototype project envisioned is a 50-unit permanent supportive housing that targets chronically homeless singles. As previously stated, there is no specific project proposed nor specific property that is part of this analysis.

Prototype Project

The following are example projects of permanent supportive housing targeting chronic homeless in Spokane developed by Catholic Charities of Eastern Washington that target the chronically homeless.

All four examples are similar with nearly identical unit configurations that include a mix of studio and one-bedroom units. All operate under the Low Income Housing Tax Credit Program (LIHTC) with units restricted to 30%, 40%, 50% and 60% of area median income (AMI); however, they are operated as if at 30% AMI. In addition to the base LIHTC restrictions, all restricted units receive rental assistance. Examples programs that provide rental assistance could include project-based Section 8, Section-8 vouchers or other programs such as the HUD 811 or other HUD programs.

Units are in single four-story structures with a security entries, internal hallways, and elevator access to all floors. Units in these buildings are designed for homeless populations with safety and durability in mind. Kitchens have a four-burner cooktop equipped with a timer for automatic turnoff, built-in microwave, refrigerator, double stainless-steel sink, laminate countertops, and good quality cabinetry intended for endurance. Each unit has a central furnace/air conditioning system (locked to prevent tenant access), and interior doors are all solid core set in metal frames. Tile is used extensively in the bathroom, again for durability. Assist bars are installed in all bathrooms. Bathrooms are finished with the same cabinetry as in the kitchen. Common facilities are located on the ground floors, with the living units located on floors 2 – 4.

**Father Bach Haven
(51 units, built 2013)**



**Buder Haven (51
units, built 2016)**



**Marilee (51 units,
built 2016)**



**Donna Hanson
Haven (51 units, built
2018)**



Demographic Profile

DEMOGRAPHIC PROFILE

2000 & 2010 Census, 2018 Estimates & 2023 Projections

	Washington	City of Richland	City of Kennewick	City of Pasco	Benton/ Franklin Counties
POPULATION					
2000 Census Population:	5,894,121	39,333	59,304	35,014	191,822
2010 Census Population:	6,724,540	48,143	73,910	60,892	253,340
2018 Estimated Population:	7,452,102	56,134	82,655	70,486	289,286
2023 Projected Population:	7,950,929	60,849	88,475	76,451	311,842
Annual Growth (2000 to 2010):	1.4%	2.2%	2.5%	7.4%	3.2%
Annual Growth (2018 to 2023):	1.3%	1.7%	1.4%	1.7%	1.6%
Group Quarter Population - 2010	139,375	285	1,081	385	3,272
% of Total Population	2.1%	0.6%	1.5%	0.6%	1.3%
HOUSEHOLDS					
2000 Census Households:	2,271,398	15,739	22,407	10,660	67,706
2010 Census Households:	2,620,076	19,734	27,263	18,372	88,549
2018 Estimated Households:	2,874,133	22,832	30,071	20,919	99,587
2023 Projected Households:	3,060,684	24,687	32,044	22,571	106,956
Annual Growth (2000 to 2010):	1.5%	2.5%	2.2%	7.2%	3.1%
Annual Growth (2018 to 2023):	1.3%	1.6%	1.3%	1.6%	1.5%
HOUSEHOLD SIZE					
2010 Census:	2.51	2.43	2.67	3.29	2.82
2018 Estimated:	2.54	2.44	2.71	3.35	2.86
2023 Projected:	2.55	2.45	2.73	3.37	2.88
FAMILY HOUSEHOLDS					
2010 Census Households:	1,687,455	12,996	18,527	14,180	63,862
2018 Estimated Households:	1,839,219	15,024	20,335	16,118	71,529
2023 Projected Households:	1,953,791	16,225	21,614	17,374	76,711
PERCENT HOUSEHOLDS IN FAMILIES					
2010 Census Households:	64.4%	65.9%	68.0%	77.2%	72.1%
2018 Estimated Households:	64.0%	65.8%	67.6%	77.0%	71.8%
2023 Projected Households:	63.8%	65.7%	67.5%	77.0%	71.7%
PERCENT HOUSEHOLDS IN SINGLE PARENT FAMILIES WITH CHILDREN					
2010 Census Households:	15.2%	14.2%	18.7%	21.7%	17.3%
MEDIAN AGE					
2010 Census Households:	37.2	39.3	32.7	27.4	32.9
2018 Estimated Households:	38.4	40.7	34.1	28.6	34.2
2023 Projected Households:	39.1	41.8	34.8	28.9	35.0
PERCENT AGE 65+					
2010 Census Households:	12.3%	14.6%	10.9%	6.8%	10.3%
2018 Estimated Households:	15.6%	18.6%	13.7%	8.3%	13.0%
2023 Projected Households:	17.8%	21.3%	15.3%	9.0%	14.9%
INCOME					
Per Capita Income (2018):	\$36,796	\$44,257	\$29,993	\$22,523	\$31,111
Average Household Income (2018):	\$94,203	\$108,336	\$81,342	\$75,421	\$88,931
Median Household Income (2018):	\$68,734	\$79,412	\$60,002	\$58,000	\$66,200
OWNER HOUSEHOLDS					
2018 Owner Households:	1,806,152	14,768	18,845	14,696	68,580
Tenure (% Owner)	62.8%	64.7%	62.7%	70.3%	68.9%
Median Owner Occupied Value (2018):	\$332,895	\$236,283	\$184,992	\$176,032	\$200,134
Average Owner Occupied Value (2018):	\$332,895	\$236,283	\$184,992	\$176,032	\$200,134
RENTER HOUSEHOLDS					
2010 Census Renter Households:	946,156	6,667	10,562	6,336	28,568
2018 Estimated Renter Households:	1,067,981	8,064	11,226	6,223	31,007
2023 Projected Renter Households:	1,112,717	8,424	11,467	6,368	31,812
Annual Growth (2018 to 2023):	0.8%	0.9%	0.4%	0.5%	0.5%
TENURE (% RENTER)					
2010 Census:	36.1%	33.8%	38.7%	34.5%	32.3%
2018 Estimated:	37.2%	35.3%	37.3%	29.7%	31.1%
2023 Projected:	36.4%	34.1%	35.8%	28.2%	29.7%

Source: STBD.com October 2018

Demographic Profile

Introduction

This demand study focuses on the general Tri-Cities area in the southeastern portion of Washington State. The area's name stems from the close proximity of the area's three major cities, Kennewick and Richland, located in Benton County, and Pasco, located in Franklin County. A general economic market overview is included in the addendum of this report.

Demographic Profile

The following estimates and forecast are based on the Washington State Office of Financial Management and US Census data compiled and aggregated by ESRI as viewed on STBD.com in September 2018. A summary demographic profile is provided on the previous table.

Population Trends by Year

Population is an economic indicator of an area's vitality as people tend to migrate to an area that has economic opportunities (i.e. people tend to follow jobs). It provides insight into how the economy is performing and how the economy has performed over time.

Population Growth Trends

	Census 2000	Census 2010	Estimate 2011	Estimate 2012	Estimate 2013	Estimate 2014	Estimate 2015	Estimate 2016	Estimate 2017	Estimate 2018	% Annual % Change 2000-10	% Annual % Change 2010-18
Washington State	5,894,143	6,724,540	6,767,900	6,817,770	6,882,400	6,968,170	7,061,410	7,183,700	7,310,300	7,427,570	1.4%	1.3%
Benton County^a	142,475	175,177	177,900	180,000	183,400	186,500	188,590	190,500	193,500	197,420	2.3%	1.6%
Unincorporated County	33,169	32,639	33,020	33,300	33,710	34,020	34,130	34,365	35,085	35,400	-0.2%	1.1%
Incorporated County	109,306	142,538	144,880	146,700	149,690	152,480	154,460	156,135	158,415	162,020	3.0%	1.7%
Benton City	2,624	3,038	3,145	3,295	3,240	3,255	3,285	3,325	3,360	3,405	1.6%	1.5%
Kennewick	54,751	73,917	74,665	75,160	76,410	77,700	78,290	79,120	80,280	81,850	3.5%	1.3%
Prosser	4,838	5,714	5,780	5,785	5,810	5,815	5,845	5,940	5,965	6,125	1.8%	0.9%
Richland	38,708	48,058	49,090	49,890	51,150	52,090	53,080	53,410	54,150	55,320	2.4%	1.9%
West Richland	8,385	11,811	12,200	12,570	13,080	13,620	13,960	14,340	14,660	15,320	4.1%	3.7%
Franklin County^a	49,347	78,163	80,500	82,500	84,800	86,600	87,150	88,670	90,330	92,540	5.8%	2.3%
Unincorporated County	13,686	13,491	13,665	13,820	13,160	12,820	12,825	12,065	12,540	12,830	-0.1%	-0.6%
Incorporated County	35,661	64,672	66,835	68,680	71,640	73,780	74,325	76,605	77,790	79,710	8.1%	2.9%
Connell	2,956	4,209	5,150	5,320	5,350	5,330	5,405	5,365	5,450	5,460	4.2%	3.7%
Kahlotus	214	193	190	195	195	185	185	185	165	165	-1.0%	-1.8%
Mesa	425	489	495	495	495	495	495	495	495	495	1.5%	0.2%
Pasco	32,066	59,781	61,000	62,670	65,600	67,770	68,240	70,560	71,680	73,590	8.6%	2.9%
Benton/Franklin	191,822	253,340	258,400	262,500	268,200	273,100	275,740	279,170	283,830	289,960	3.2%	1.8%

Source: ^a Washington Office of Financial Management

The Tri-Cities is the largest population center within the region at 210,760 people, or 73% of the combined population of Benton & Franklin Counties.

Currently there are an estimated 289,960 people in Benton & Franklin counties and this figure is forecast to grow to 311,842 by 2023,

representing an annual growth of 1.6% and an average growth of 4,376 people per year.

Households

Occupied housing units represent households. Currently, there are an estimated 99,587 households regionally and this figure is forecast to grow to 106,956 by 2023, representing an annual growth of 1.5% and an average growth of 1,474 households per year. This rate of growth is higher than statewide projections.

AVERAGE HOUSEHOLD SIZE

The average household size in Benton & Franklin counties is 2.86 compared with 2.54 statewide.

% FAMILY HOUSEHOLDS

The percentage of family households regionally is 71.8% compared with 64.0% statewide. Typically areas with higher percentages of family households also have a higher average household size, which is shown by the demographic data.

% SINGLE PARENT HOUSEHOLDS WITH CHILDREN

The percentage of single parent households with children regionally is 17.3%. Statewide the estimate is 15.2%.

% HOUSEHOLDS AGE 65 PLUS

The percentage of households with a head of household age 65 or older is 13.0% regionally compared with 15.6% statewide.

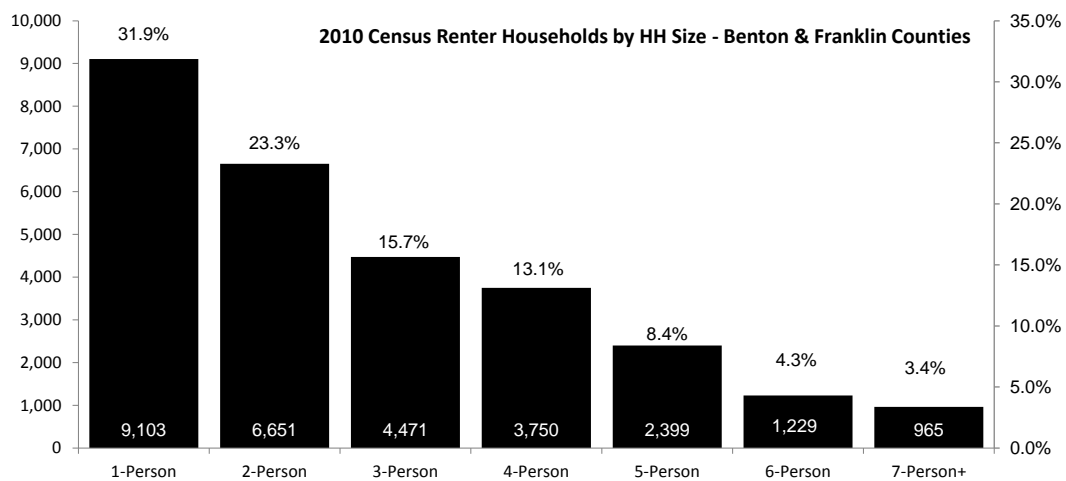
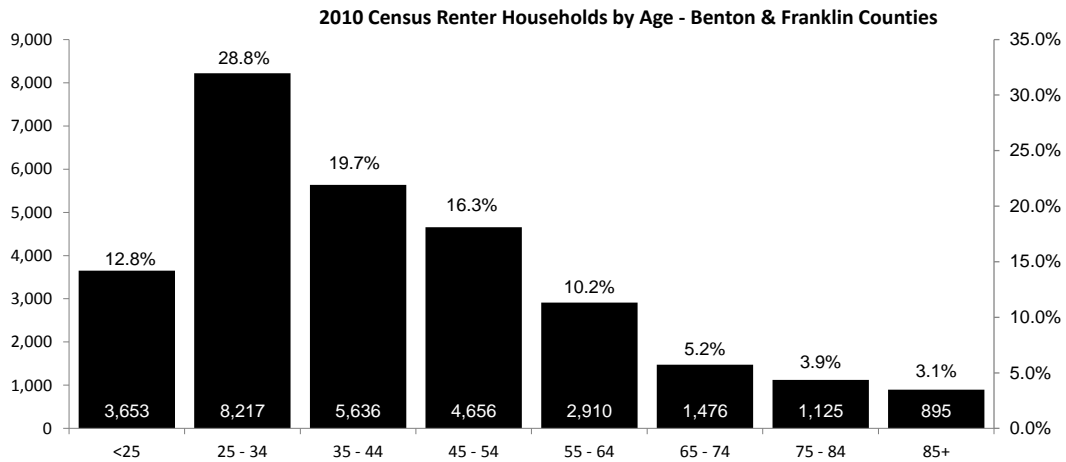
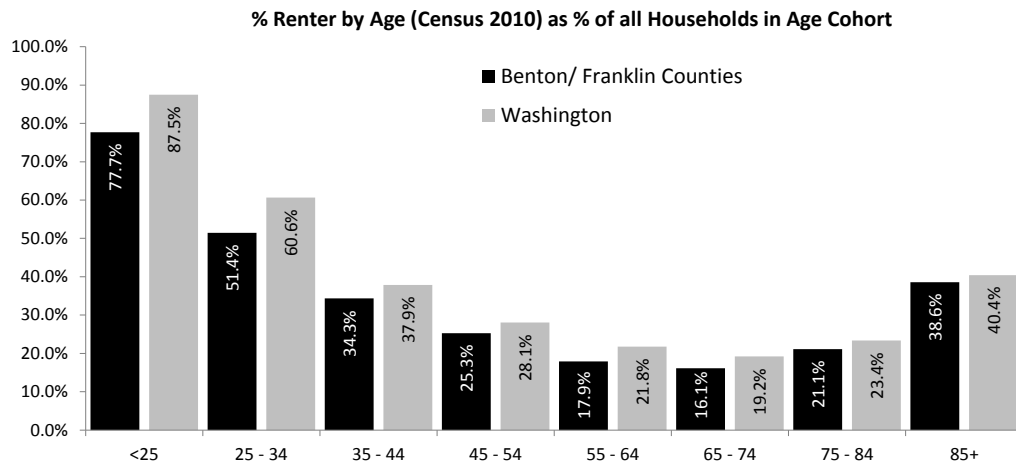
HOUSEHOLDS BY TENURE

Households are further distinguished by tenure -- households that are owners and those that are renters. Regionally, renter households account for 32.3% of all households according to the 2010 Census. This ratio has gradually decreased over the past decade to a current 2018 estimate of 31.1%

RENTER HOUSEHOLDS BY AGE COHORT

The following charts depict the 2010 Census living pattern of renters by age and household size.

As shown, in the subject's PMA the highest concentration of renters by age are those under age 25 with 77.7% of all households in this age cohort renting. This concentration steadily drops off as one gets older and is more likely to own their home. Propensity to rent increases for those over age 65. Overall, residents under age 55 represent 77.6% of all renters in the PMA. 70.8% of all renter households reflect household sizes with three persons or less.



Housing Profile

Housing Profile

Housing

The following section provides a general overview of the housing stock and housing conditions in Benton/Franklin Counties.

Households and Housing Units

A "dwelling unit" is defined as a structure or that part of a structure which is used as a home, residence, or sleeping place by one or more persons maintaining a common household. These include, but are limited to single-family residences, two to four-unit multiplexes, apartment buildings five units and larger, and mobile homes.

Households are the number of people who live in one housing unit. Households can include a single person, couple or more than one family and can be related or unrelated.

Every 10 years, the US Census Bureau conducts an actual, physical census of the nation's population where a distinction is made between those living in households and those living in Group Quarters (GQ).

Group quarters are places where people live or stay in a group living arrangement that is owned or managed by an entity or organization providing housing and/or services for the residents. These services may include custodial or medical care, as well as other types of assistance, and residency is commonly restricted to those receiving these services.

Consequently

Examples of group quarters include institutionalized places such as correctional facilities and skilled nursing facilities and noninstitutionalized places such as college residence halls, military barracks, and facilities for people experiencing homelessness such as shelters and transitional housing that would fall under the other noninstitutionalized category. The overall group quarter population is typically a small percentage of the overall population – about 2.1% statewide compared to 2.4% in Franklin County and 0.8% in Benton County as of the 2010 census. Because census figures are based on residential dwelling units, a true count of the homeless (especially the literal homeless) is extremely difficult to measure. Consequently, as this a shadow population, these figures undercount the homeless population. A separate Homeless Profile section follows that focuses on this shadow subpopulation.

Group Quarters Population by Type - 2010 Census

	Statewide	% Total Population	Franklin County	% Total Population	Benton County	% Total Population
Total Population:	6,724,540		78,163		175,177	
Total Group Quarters Population:	139,375	2.1%	1,846	2.4%	1,426	0.8%
		% Total GQ Pop		% Total GQ Pop		% Total GQ Pop
Institutionalized population:	57,844	41.5%	1,727	93.6%	1,128	79.1%
Correctional facilities for adults:	31,960	22.9%	1,623	87.9%	692	48.5%
Juvenile facilities:	2,030	1.5%	6	0.3%	36	2.5%
Nursing facilities/Skilled-nursing facilities:	22,156	15.9%	98	5.3%	393	27.6%
Other institutional facilities:	1,698	1.2%			7	0.5%
Noninstitutionalized population:	81,531	58.5%	119	6.4%	298	20.9%
College/University student housing:	35,534	25.5%				
Military quarters:	12,385	8.9%				
Other noninstitutional facilities:	33,612	24.1%	11	0.6%	298	20.9%
Total Group Quarters Population:	139,375	100.0%	1,846	100.0%	1,426	100.0%

**HOUSEHOLDS BY
TENURE**

Occupied housing units therefore represent households and are further distinguished by tenure – households that are owners and those that are renters.

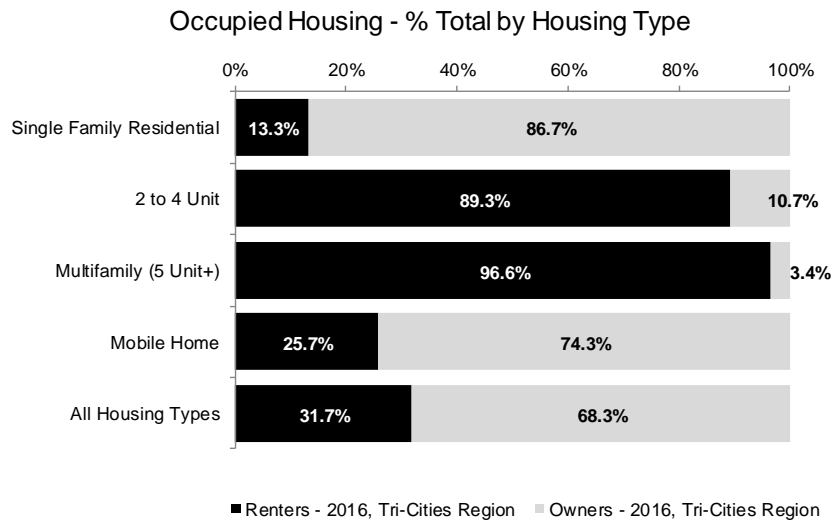
In the Tri-Cities Region, there are an estimated 93,575 occupied housing units composed of 31.7% renter and 68.3% owner households according to the 2016 American Community Survey (ACS) Census estimate.

Households and Housing Units by Tenure

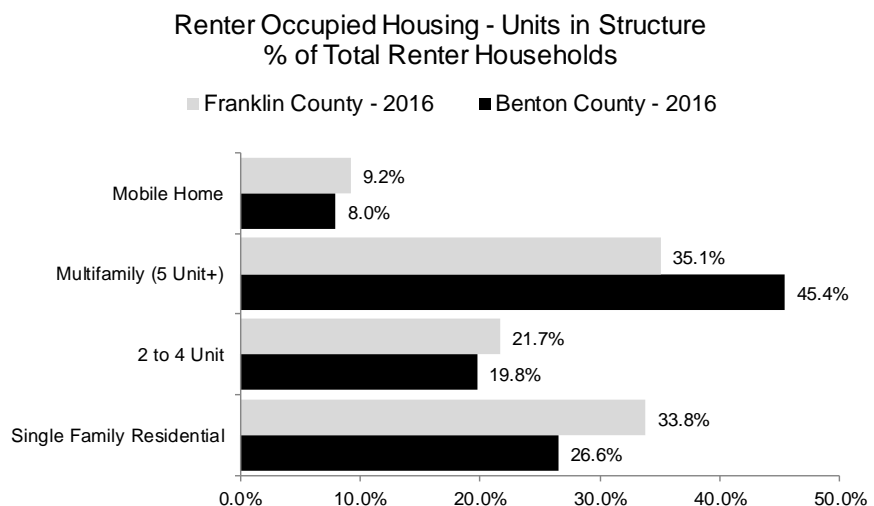
Source: American Community Survey (ACS) 2016 5-year estimates

Table DP-04 Selected Housing Characteristics

	Tri-Cities Region	Franklin County	Benton County
Total Housing Units	98,648	26,386	72,262
Occupied Units	93,575	25,157	68,418
Owner Occupied	63,897	17,072	46,825
% Owner Households	68.3%	67.9%	68.4%
Renter Occupied	29,678	8,085	21,593
% Renter Households	31.7%	32.1%	31.6%



Source: American Community Survey (ACS) 1-year estimates



Source: American Community Survey (ACS) 1-year estimates

RENTER HOUSING TYPES

In Franklin County, 35.1% of the renter occupied housing stock consists of multifamily structures followed by 33.8% in single family homes and in 21.7% two to four-unit structures.

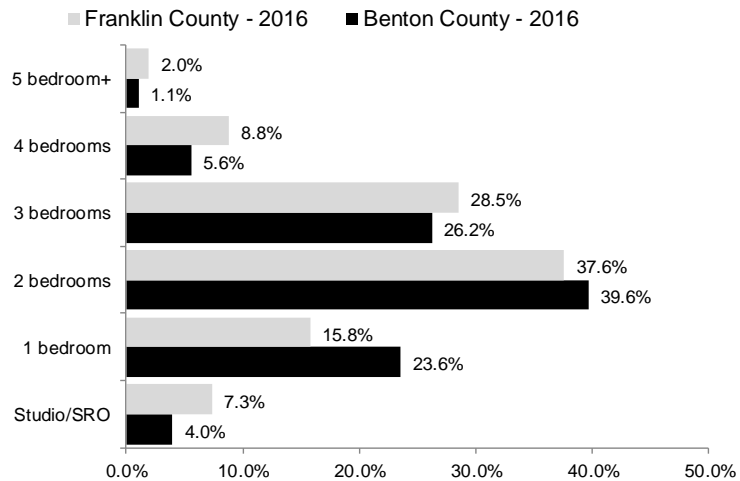
In Benton County, 45.4% of the renter occupied housing stock consists of multifamily structures followed by 26.6% in single family homes and in 19.8% two to four-unit structures.

Renter Occupied - 2016	Franklin County	% Tot	Benton County	% Tot
Single Family Residential	2,735	33.8%	5,733	26.6%
2 to 4 Unit	1,756	21.7%	4,267	19.8%
Multifamily (5 Unit+)	2,835	35.1%	9,801	45.4%
Mobile Home	746	9.2%	1,723	8.0%
Other (Boat, RV, van, etc.)	13	0.2%	69	0.3%
Total	8,085	100.0%	21,593	100.0%
% Renter Households	32.1%		31.6%	

BEDROOMS BY TENURE

Renter households are typically smaller than owner households. In Franklin County, a combined 60.7% of renter households occupy units with two or less bedrooms. In Benton County, this ratio is higher at 67.2% - a reflection of the higher ratio of multifamily units.

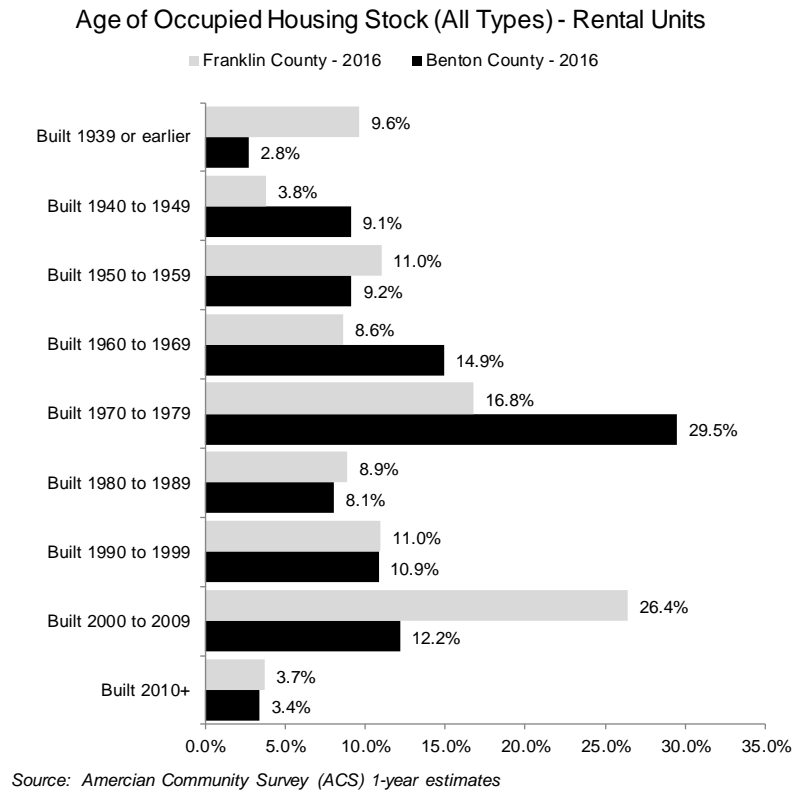
Renter Occupied Housing - No. of Bedrooms



Source: American Community Survey (ACS) 1-year estimates

AGE OF HOUSING STOCK

One indicator of housing conditions is the age of the housing stock as older buildings tend to have more condition problems. In Franklin County, 45.1% of owner occupied units and 30.2% of renter occupied units were built since 2000. In Benton County, 49.4% of owner occupied units and 15.6% of renter occupied units were built since 2000.



CONDITION OF HOUSING STOCK

Another factor influencing housing conditions is overcrowding. Overcrowding in housing is when more people are living in a single dwelling than there is space such that movement is restricted; privacy secluded and can threaten public health. HUD defines overcrowding as more than one person per room in a residence¹.

Overcrowded Units - 2016 ACS Franklin County

Tenure	Occupied		Overcrowded	
	Units	Units		
Owner	17,072	927	5.4%	% of Owner
Renter	8,085	1,656	20.5%	% of Renter
All	25,157	2,583	10.3%	% of All HH

Source: American Community Survey (ACS) 5-year estimates

¹ Rooms counted [in the American Housing Survey (AHS)] include whole rooms used for living purposes, such as bedrooms, living rooms, dining rooms, kitchens, recreation rooms, permanently enclosed porches that are suitable for year-round use, lodger's rooms, and other finished rooms. Also included are rooms used for offices by a person living in the unit.

**Overcrowded Units - 2016 ACS
Benton County**

Tenure	Occupied	Overcrowded		
	Units	Units		
Owner	46,825	1,018	2.2%	% of Owner
Renter	21,593	1,702	7.9%	% of Renter
All	68,418	2,720	4.0%	% of All HH

Source: American Community Survey (ACS) 5-year estimates

An estimated 10.3% of all households in Franklin County (2,583 households) are overcrowded, a significantly higher ratio than Benton County at 4.0% (2,720 households) that meet this definition.

In addition to overcrowded units, another measure of housing condition is substandard units. Substandard units include those lacking complete plumbing facilities² and those lacking complete kitchens³. Assuming no overlap, an estimated 1.1% (273 units) of all occupied units in Franklin County and 0.8% (542 units) in Benton County are substandard.

**Substandard Units - 2016 ACS
Franklin County**

Tenure	Occupied	Lacking Complete	Lacking Complete			
	Units	Kitchens	Plumbing Facilities	Total		
Owner	17,072	41	33	74	0.4%	% of Owner
Renter	8,085	149	50	199	2.5%	% of Renter
All	25,157	190	83	273	1.1%	% of All HH

Source: American Community Survey (ACS) 5-year estimates

**Substandard Units - 2016 ACS
Benton County**

Tenure	Occupied	Lacking Complete	Lacking Complete			
	Units	Kitchens	Plumbing Facilities	Total		
Owner	46,825	51	35	86	0.2%	% of Owner
Renter	21,593	440	16	456	2.1%	% of Renter
All	68,418	491	51	542	0.8%	% of All HH

Source: American Community Survey (ACS) 5-year estimates

Poverty Status

One indicator of housing need is the percentage of households in poverty, as this population is most risk of becoming homeless. The Census Bureau uses set income thresholds that vary by family size and composition to determine who is in poverty. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family (and every individual in it) or unrelated individual is considered in poverty.

² Complete plumbing facilities include: (1) hot and cold piped water; (2) a flush toilet; and (3) a bathtub or shower. All three facilities must be located in the housing unit.

³ A unit has complete kitchen facilities when it has all of the following facilities: (a) cooking facilities (b) refrigerator; and (c) a sink with piped water.

Geography	<u>Less than 50% of Poverty Level</u>		<u>Less than 100% of Poverty Level</u>	
	% of population	Margin of	% of population	Margin of
	Estimate	Error	Estimate	Error
National	6.00%	+/-0.1	13.40%	+/-0.1
Washington State	5.10%	+/-0.3	11.00%	+/-0.3
Franklin County	6.40%	+/-1.3	16.40%	+/-1.6
Benton County	5.70%	+/-0.8	13.90%	+/-1.0

Source: American Community Survey (ACS)

The weighted average 2017 poverty thresholds for one, two and three-person households is as follows:

Weighted Avg 1-person HH	\$12,752
Weighted Avg 2-person HH	\$16,414
Weighted Avg 3-person HH	\$19,173
Weighted Avg 4-person HH	\$25,283

The current average household size in Franklin County is about 3.40 persons, which would indicate an average poverty level income of about \$21,500 for the typical household. Those households earning 50% below the poverty line would then have annual gross household income less than about \$10,750. Using these metrics, there are approximately 1,600 households in Franklin County that are below 50% of the poverty line.

Franklin County Population Estimate (2017 ACS)	85,438
% less than 50% of Poverty Level	6.40%
Estimated Population below 50% of Poverty Level	5,468
Average HH Size (2017 ACS)	3.40
Households below 50% of Poverty Level	1,610

In Benton County, the average household size is about 2.71 persons, which would indicate an average poverty level income of about \$18,500 for the typical household. Those households earning 50% below the poverty line would then have annual gross household income less than about \$9,250. Using these metrics, there are approximately 3,900 households in Benton County that are below 50% of the poverty line.

Benton County Population Estimate (2017 ACS)	185,684
% less than 50% of Poverty Level	5.70%
Estimated Population below 50% of Poverty Level	10,584
Average HH Size (2017 ACS)	2.71
Households below 50% of Poverty Level	3,900

Combined, there are approximately 5,500 households in the Tri-Cities region that earn below 50% of the poverty line – roughly \$10,000 per year on average.

These households in extreme poverty are much more likely to be “precariously housed”. These are people on the edge of becoming literally homeless and who may be doubled up with friends and relatives or paying extremely high proportions of their income for shelter. This group is often characterized as being at imminent risk of becoming homeless.

**RENTAL STOCK BY
SUBSIDIZED AND
AFFORDABLE
UNITS**

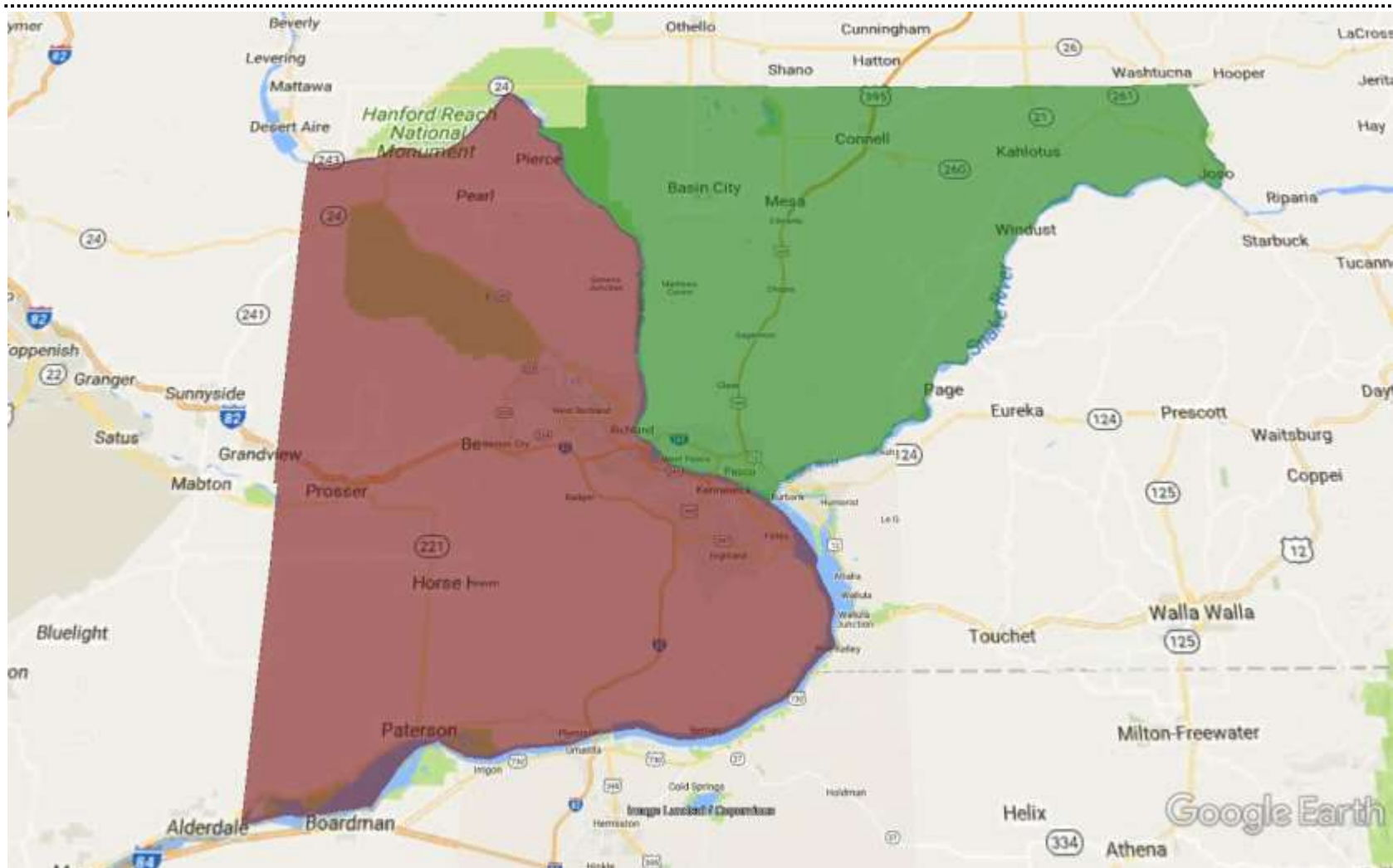
In the Tri-Cities Region, about 43% of the total rental stock is made up of projects five units and larger with the balance single family to four-plexes. Of multifamily units five units and larger, about 80% are conventional market rate units with the balance (20%) affordable housing including tax credit and other subsidized housing. In Franklin County, the ratio of affordable housing is larger at 27%.

	Franklin		Benton		Tri-Cities	
Existing Renter Housing Stock*	County	% Tot	County	% Tot	Region	% Tot
Single Family Residential	2,830	34%	6,145	27%	8,975	28%
Mobile Home/Other	785	9%	1,921	8%	2,706	9%
2 to 4 Unit	1,817	22%	4,573	20%	6,391	20%
Multifamily (5 Unit+)	2,934	35%	10,505	45%	13,438	43%
Total	8,367	100%	23,143	100%	31,510	100%

	Franklin		Benton		Tri-Cities	
Existing Multifamily Renter Stock**	County	% Tot	County	% Tot	Region	% Tot
Market Rate (Excl SFR/Mobile Home/Other)	3,468	73%	12,332	82%	15,800	80%
Affordable - All Types	1,283	27%	2,746	18%	4,029	20%
Affordable - LIHTC	729	15%	2,023	13%	2,752	14%
Affordable - Other/Subsidized	554	12%	723	5%	1,277	6%
Total Multifamily	4,751	100%	15,078	100%	19,829	100%

Source: * 2016 American Community Survey (ACS) 5-year estimates

**WSHFC, Internal Sources, Analysis by KM



Market Area Map (Benton & Franklin Counties)

Multifamily Market Analysis

Introduction

The following overview of the apartment market utilizes several data sources including CoStar (a commercial real estate data provider), survey data provided by the Runstad Center for Real Estate Research as well as our own primary research including an in-house database maintained by Kidder Mathews.

Regional Overview

In general, commuting across the entire Tri-Cities is relatively quick and residents may prefer one location over another but there is a definite feel of Richland, Kennewick, and Pasco as being one competitive market.

The apartment market in the Tri-Cities market has seen a few periods of strong building, generally following various build-ups at Hanford. The late 1970s saw the planning for decommissioning of the reactors, the mid-1980s the closing of the reactors and beginning of clean-up efforts. In the early 2000s, a massive contract was given to Bechtel for the design and construction of a vitrification plant for waste neutralization. Apartment projects were brought to the market for this ramp-up, with over 3,100 new units added to the market between 2002 and 2006. In 2011 a new construction cycle started. Between 2011 and 2018 another 2,459 units were added. This includes both market rate and income controlled projects.

Rent growth remains strong and area demographics point to continued growth. Overall, about 32% of regional households rent. Despite fairly affordable median home prices, differences in renting vs. owning have become larger recently due to increases in mortgage rates.

According to Zillow, the regional median home sale price is about \$266,500, which would reflect a typical monthly mortgage payment of around \$1,112 (assuming a 30-year mortgage with 20% down at a current 4.75% interest rate). This mortgage payment compares with the average regional rent of \$984/month reported by CoStar and \$834 reported by Runstad. This has forced households into the rental market, either by choice or due to prices jumping up and financing being more difficult to obtain with large down payment requirements. This trend is expected to continue, if not accelerate as interest rates increase, pricing more potential buyers out of the home buying market. It is estimated that every 50-basis point increase disqualifies about 6% of potential buying households.

APARTMENT MARKET OVERVIEW (MARKET RATE)- updated October 2018

Construction Activity*		Before 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Benton - County		7,719					303	408	176	317	106	144	291	176
	% of Existing		0.0%	0.0%	0.0%	0.0%	3.9%	5.1%	2.1%	3.7%	1.2%	1.6%	3.2%	1.9%
Franklin - County		1,306							176					
	% of Existing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Benton/Franklin Combined		9,025	-	-	-	-	303	408	352	317	106	144	291	176
	% of Existing		0.0%	0.0%	0.0%	0.0%	3.4%	4.4%	3.6%	3.1%	1.0%	1.4%	2.7%	1.6%

*Deliveries net of conversions and demolitions (market rate only)

Inventory / Vacancy History		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Benton - County		7,719	7,719	7,719	7,719	7,719	8,022	8,430	8,606	8,923	9,029	9,173	9,464	9,640
		7.0%	5.3%	5.6%	5.6%	5.1%	6.7%	7.7%	7.8%	5.2%	4.3%	4.6%	4.2%	4.4%
Franklin - County		1,306	1,306	1,306	1,306	1,306	1,306	1,306	1,482	1,482	1,482	1,482	1,482	1,482
		6.1%	6.4%	7.0%	7.6%	7.0%	7.3%	7.4%	6.1%	8.5%	4.6%	4.0%	5.6%	5.5%
Benton/Franklin Combined		9,025	9,025	9,025	9,025	9,025	9,328	9,736	10,088	10,405	10,511	10,655	10,946	11,122
		6.8%	5.5%	5.8%	5.9%	5.4%	6.8%	7.7%	7.6%	5.7%	4.3%	4.5%	4.4%	4.6%

Absorption History		2007	2008	2009	2007	2008	2009	2010	2014	2015	2016	2017	2018
Benton - County		131	(23)	-	39	159	296	154	524	182	110	315	149
Franklin - County		(4)	(8)	(8)	8	(4)	(1)	182	(36)	58	9	(24)	1
Benton/Franklin Combined		117	(27)	(9)	45	156	293	335	491	247	116	289	146

Source: CoStar, County records, adjusted by known projects not included in CoStar

RESTRICTED APARTMENT MARKET

Construction Activity*		Before 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Benton - County		2,426						230		30		32	28	
	% of Existing		0.0%	0.0%	0.0%	0.0%	0.0%	9.5%	0.0%	1.1%	0.0%	1.2%	1.0%	0.0%
Franklin - County		1,197	44				42							
	% of Existing		3.7%	0.0%	0.0%	0.0%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Benton/Franklin Combined		3,623	44	-	-	-	42	230	-	30	-	32	28	-
	% of Existing		1.2%	0.0%	0.0%	0.0%	1.1%	6.2%	0.0%	0.8%	0.0%	0.8%	0.7%	0.0%

*Deliveries net of conversions and demolitions (restricted rent only)

Source: CoStar

Inventory (Net of Conversions)		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Benton - County		2,426	2,426	2,426	2,426	2,426	2,426	2,656	2,656	2,686	2,686	2,718	2,746	2,746
Franklin - County		1,197	1,241	1,241	1,241	1,241	1,283	1,283	1,283	1,283	1,283	1,283	1,283	1,283
Benton/Franklin Combined		3,623	3,667	3,667	3,667	3,667	3,709	3,939	3,939	3,969	3,969	4,001	4,029	4,029

*Source: Kidder Mathews, CoStar, County/State records adjusted by known timelines and projects not included in CoStar

Completed since 2000/ Under Construction/ Proposed
Status: A = Existing, UC = under construction; X = planned

County	Status	Units	Stories	Style	Type	Property name	Age/Target	Address	City	Developer or Owner
Benton	A	70	2	Garden	Market	Aaron Ridge	2003	900 Aaron Drive	Richland	Kenneth V Noreen
Benton	A	212	3	Garden	Market	La Serena at Hansen Park	2003	7701 W 4th Avenue	Kennewick	The Wolff Company
Benton	A	216	3	Garden	Market	Shoreline Village	2003	2555 Duportail Street	Richland	Yuksel Inc
Benton	A	120	3	Low-Rise	Market - Senior	Solstice at Kennewick	2003	8264 W Grandridge Blvd	Kennewick	NorthStar Healthcare Income, Inc.
Benton	A	134	3	Garden	Market	Center Pointe	2004	460 N Arthur Street	Kennewick	Affinity Property Management
Benton	A	286	2 & 3	Garden	Market	Villas at Meadow Springs	2004	250 Gage Boulevard	Richland	Peak Capital Partners
Benton	A	331	3	Garden	Market	Bella Vista	2005	2100 Bellerive Drive	Richland	Tokola Properties
Benton	A	252	3	Garden	Market	Broadmoor	2005	10305 Chapel Hill Blvd	Pasco	Robert Young & Associates, Inc.
Benton	A	160	3	Garden	Market	Grandridge Place	2005	725 N Center Parkway	Kennewick	The Wolff Company
Franklin	A	25	3	Townhouses	Market	Island Estates	2005	7716 Quadra Drive	Pasco	
Franklin	A	46	1	Garden	Market	Vineyard Apartments	2005	2407 W Jay St	Pasco	Pacific West Communities, Inc.
Franklin	A	25	3	Townhouses	Market	7716 Quadra Dr	2005	7716 Quadra Dr	Pasco	Stephen W. Reed
Franklin	A	300	3	Garden	Market	Crossing at Chapel Hill	2006	6626 Chapel Hill Blvd	Pasco	Bach Corporation
Benton	A	35	1-2	Low-Rise	Market	Parkview Village at Hansen Park	2006	500 S Delaware Street	Kennewick	Steve Conner
Benton	A	168	2	Garden	Market	Seasons on 4th Avenue	2006	8180 W 4th Avenue	Kennewick	The Management Group, Inc.
Benton	A	30	3	Low-Rise	Market	Canyon Crest	2011	785 Canyon Street	Richland	Celski & Associates Inc
Benton	A	144	3	Garden	Market	Island View	2011	1529 Columbia Park Trail	Richland	Inland Group
Benton	A	118	3	Garden	Market	Quail Springs	2011	4711 N Dallas Road	West Richland	Miller Properties
Benton	A	11	2	Low-Rise	Market	Symons Square	2011	703 Symons St	Richland	Bill Siefken
Benton	A	180	3	Garden	Market	Mosaic on the River	2012	2513 Duportail Street	Richland	Stephen Mackay
Benton	A	228	3	Garden	Market	Regency Park Phase I & II	2012	3003 Queensgate Drive	Richland	Evergreen Housing Development Gro
Benton	A	176	3	Garden	Market	Badger Mountain Ranch	2013	451 Westcliff Blvd	Richland	Starboard Realty Advisors, LLC
Franklin	A	176	2	Garden	Market	Navigator Villas	2013	6212 Road 68	Pasco	Security Properties, Inc.
Benton	A	120	4	Midrise	Market Portion	Affinity at Southridge	2014	5207 W Hildebrand Blvd	Kennewick	Inland Group
Benton	A	24	2	Garden	Market	Gramercy	2014	2112 S Rainier	Kennewick	
Benton	A	160	3	Garden	Market	Lofts at Innovation Center	2014	2895 Pauling Avenue	Richland	Shotgun Creek Investments
Benton	A	13	2	Garden	Market	3426 W 7th Ave	2014	3426 W 7th Ave	Kennewick	Aissala Sidibe
Benton	A	106	3	Garden	Market	Bellavista East	2015	2100 Bellerive Dr	Richland	Tokola Properties
Benton	A	144	3	Garden	Market	Badger Canyon	2016	10251 Ridgeline Drive	Kennewick	Edward Rose & Sons
Benton	A	95	3	Garden	Ma	575 Columbia	2017	575 Columbia Point Drive	Richland	
Benton	A	36	3	Garden	Market	Badger Canyon - Ongoing Phases	2017	10251 Ridgeline Drive	Kennewick	Edward Rose & Sons
Benton	A	160	3	Garden	Market	Commons at Innovation Center	2017	2894 Salk Avenue	Richland	Shotgun Creek Investments
Benton	A	96	3	Garden	Market	Badger Canyon - Ongoing Phases	2018	10251 Ridgeline Drive	Kennewick	Edward Rose & Sons
Benton	UC	80	3	Garden	Market - Student	The Breisford Vineyards	2018	215 University Dr	Richland	Ustur
Benton	X	106	3	Low-Rise	Market	Park Place Apartments	2019	650 George Washington Way	Richland	City of Richland
Benton	X	366	3	Garden	Market	Badger Canyon - Future Phases	TBD	10251 Ridgeline Drive	Kennewick	Edward Rose & Sons

Total (Market Rate) 4,949

Source: Kidder Mathews, CoStar, County/State records adjusted by known timelines and projects not included in CoStar

County	Status	Units	Zip	Style	Type	Property name	Age/Target	Address	City	Target
Benton	A	59	99352		HUD	Tri-Cities Terrace I Housing Project	2002	1770 Leslie Road	Richland	Senior
Benton	A	39	99352		HUD	Tri-Cities Terrace II	2002	1790 Leslie Road	Richland	Senior
Benton	A	148	99336	Garden	LIHTC	Vinlage at Richland	2004	1950 Bellerive Dr	Richland	Senior, Disabled
Franklin	A	240	99301	Garden	LIHTC	Silver Creek Apartments	2005	9315 Chapel Hill Blvd	Pasco	Large HH
Franklin	A	198	99301	Garden	LIHTC	Stonegate	2005	6102 Road 68	Pasco	Disabled, Large HH
Franklin	A	45	99301	Garden	LIHTC	Vineyards	2005	2407 W. Jay Street	Pasco	Farm Worker, Large HH
Franklin	A	19	99326		LIHTC	Wheatlands	2005	661 S. Burke	Connell	Senior
Franklin	A	44	99301	Garden	LIHTC	Tepeyac Haven	2007	801 N 22nd Ave	Pasco	Farm Worker, Large HH
Franklin	A	42	99301	Garden	LIHTC	Bishop Topel Haven	2011	1534 E Spokane St	Pasco	Farm Worker
Benton	A	230	99338	Garden	LIHTC	Copper Ridge Apartments	2012	5501 W Hildebrand Blvd.	Kennewick	Disabled, Large HH
Benton	A	30	99338	Midrise	80/20 - Rest. Ph.	Affinity at Southridge	2014	5207 Bob Olson Pkwy	Kennewick	Senior, Disabled
Benton	A	32	99336	Garden	LIHTC	Nueva Vista	2016	360 N. Union Street	Kennewick	Disabled, Homeless
Benton	A	28	99336	Garden	LIHTC	Nueva Vista II	2017	360 N. Union Street	Kennewick	Disabled, Homeless

Total (Restricted) 1,154

Source: Kidder Mathews, CoStar, County/State records adjusted by known timelines and projects not included in CoStar

Regional Inventory As shown on the previous table, there are about 11,100 market rate units regionally (5 units and larger). Since 2007 the regional market rate inventory has increased by nearly 2,100 (36%). There are only a couple of projects planned with a total of 472-units.

Alternatively, the affordable (income controlled) market represents about 4,000 units regionally or about 26% of the market rate supply (5 units and larger). Since 2007 the regional affordable inventory has increased by about 400 units, or 11% over the past decade.

**Regional &
Submarket
Vacancy Trends**

CoStar reports a regional vacancy at 4.5% (4.4% in Benton County and 5.5% in Franklin County). CoStar primarily draws their vacancy figures from Apartments.com, which is a commercial product they own and operate. The vacancy reported is primarily an availability rate that includes new construction in lease-up as well as units coming available weeks or months in the future. This skews the rate upward (sometimes significantly if there are large number of deliveries in lease-up) compared to the actual physical occupancy in properties that are stabilized. In markets with little inventory, CoStar estimates vacancy, market and effective rents based an algorithm. For these reasons, it is not a true measure of physical vacancy and is viewed with caution.

Market Vacancy (All Ages) YTD 2018

Floorplan	Benton County	Franklin County	Tri-Cities
Studios	6.9%	4.2%	6.1%
1-Bed	4.1%	5.2%	4.2%
2-Bed	4.4%	5.8%	4.6%
3-Bed	4.9%	6.0%	5.0%
Total Average (All Ages)	4.4%	5.5%	4.6%
Inventory	9,640	1,482	11,122
	86.7%	13.3%	100.0%

Source: CoStar (October 2018)

Average Asking Market Rent (All Ages) YTD 2018

Floorplan	Benton County	Franklin County	Tri-Cities
Studios	\$1,016	\$625	\$892
1-Bed	\$914	\$847	\$906
2-Bed	\$1,008	\$1,076	\$1,018
3-Bed	\$1,194	\$1,238	\$1,199
Total Average (All Ages)	\$997	\$976	\$994
Overall Average Asking/SF	\$1.11	\$1.06	\$1.09
Concession % of Annual Rent	1.3%	0.7%	1.2%
Concession - Weeks Free	0.6	0.3	0.6

Source: CoStar (October 2018)

CoStar's measure of concessions is realistic, as their data is largely based on properties that are marketing on Apartments.com. According to this source, concessions are nearly nonexistent, currently a nominal 1.2% of the annual rent -- equivalent to about four days or less free rent on average.

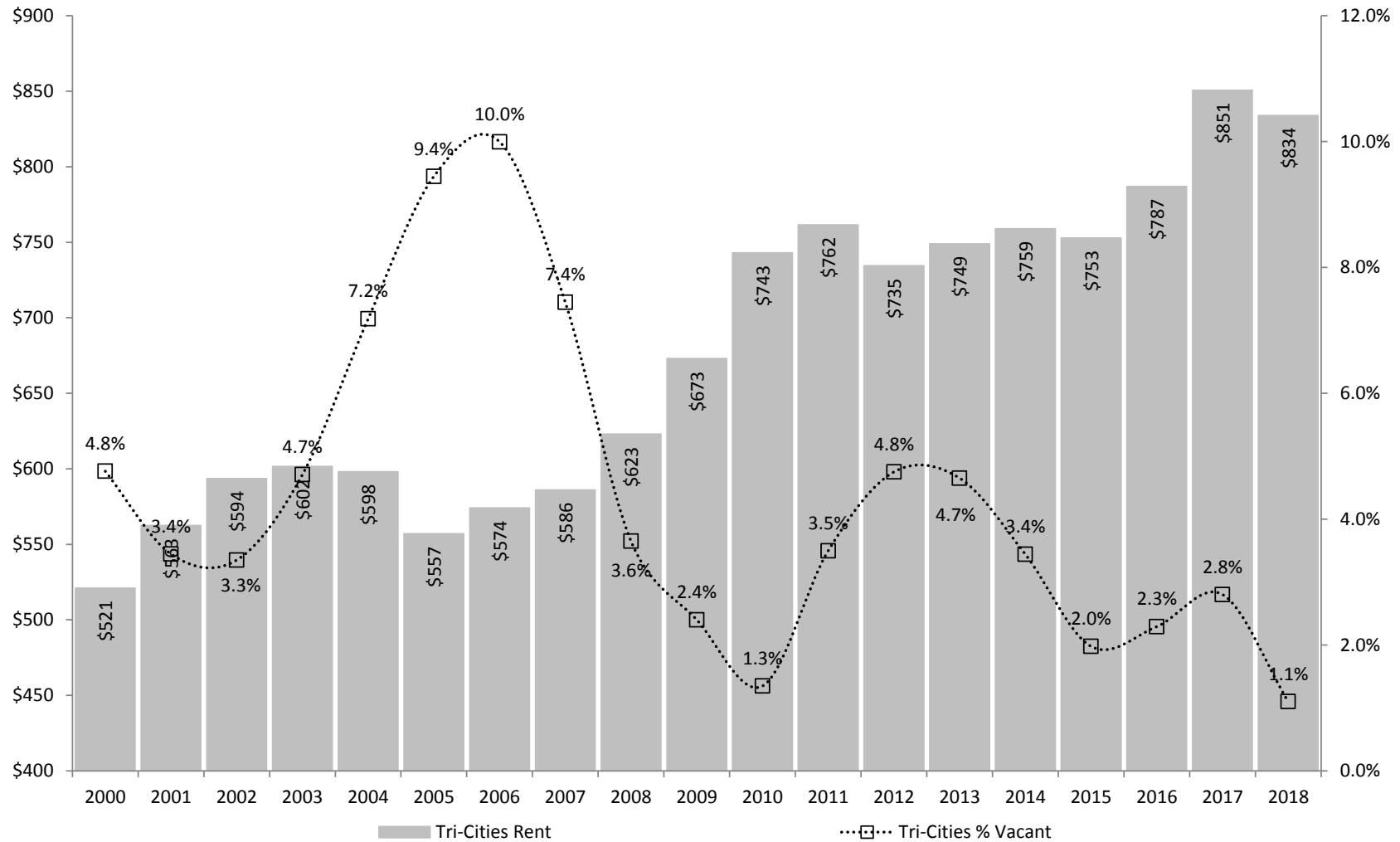
For comparison, the Runstad average in Spring 2018 reported a regional vacancy of 1.1% as shown in the following table. It should be noted that the Runstad data excludes properties in lease-up and reflects projects 10 units and larger built since 1963. In addition, the surveyed sample for the Spring survey reflected a participation rate of only 9% of units, compared to prior surveys in the 50% to 70% range.

Spring 2018 Survey - Units surveyed Submarket

Subregion	Buildings Surveyed	Units Surveyed	Average Unit SF	Average Rent	Rent/SF	Market Vacancy
Tri-Cities	na	1,263	833	\$834	\$1.00	1.1%
1-Bedroom	na	398	664	\$686	\$1.03	1.8%
2-Bedroom	na	439	866	\$808	\$0.93	0.5%

Source: Runstad Center for RE Research

Runstad Regional Rent and Vacancy Trends (All Ages, Annual Basis)



Source: The Real Estate Report, Spring 2018

As shown on the previous chart, the average market vacancy rate is estimated at 1.1% for Spring 2018, which is well below the 4.3% annual average since 2000. Historically, vacancy last peaked at 4.8% following the loss of stimulus spending in 2011 before dropping back down to the low levels currently existing in this market. Generally, the greater market reflects relatively low vacancy rates for all unit types.

Regionally, the average rental rates have increased from \$0.65/sq ft in 2000 to \$1.00/sq ft as of the Spring 2018 survey reflecting a moderate growth of 54% over this period equivalent to an average annual growth of 3.0% per year.

Conclusion

The majority of the apartment units in the Tri-Cities were built either during the 1970s, between 2003 and 2006, and with a renewed surge in more recent years, between 2011 and 2018. Based on recent trends and the expectation of managers in the area, the market will remain strong with increasing rents and a stable vacancy level. Use of concessions is still expected, but only in limited or unit specific use, most likely in during new construction lease-up.

Affordable Housing Overview

Overview

HUD defines housing as affordable if a household pays 30% or less of their gross income toward housing costs. There are several affordable housing programs, each with different definitions of affordability and income limits used to determine eligibility. Generally, most affordable housing programs provide housing that is affordable to households earning 80% or less of the area median income (AMI). The following table describes some of the basic categories and terminology.

	<u>Income Restriction</u>		<u>Typical Program</u>
	<u>Min</u>	<u>Max</u>	
Extremely Low Income	NA	30%	Public Housing, Subsidized
Very Low Income	30%	50%	Most Tax Credit
Low Income	50%	80%	Tax Credit, Workforce
Moderate Income	80%	100%+	Workforce

Collectively, various funders address housing need across the entire income spectrum as illustrated in the following.



The type of affordable housing program drives the income level targeted. Different funders focus their resources on different segments of need.

Generally speaking, HUD provides rental assistance through three key programs.

Public housing. Public Housing is generally owned and operated by the local or regional housing authority, where capital costs and some of the operating costs are fully subsidized. The rent charged is based on the same formula used for HUD Section 8 assistance. Typically, this type of housing is targeted towards “very-low” and “extremely-low” income households and most participants have incomes less than 30% AMI.

Project-based assisted housing. Provides assistance to households living in privately owned rental housing. The assistance is attached to the units, which are reserved for low-income families who are required to pay 30 percent of their incomes for rent. In general, the tenant's income cannot exceed 50% of the area's median income (AMI) adjusted for family size, with exceptions up to 80% AMI. In practice, most participants have incomes less than 30% AMI.

Tenant-based rental assistance. The Section 8 voucher program supplements the rent payments of more than 2.0 million families in the private rental market. The program is administered through state and local housing agencies. Although 30 percent of income is the rent baseline, families often pay more and use these portable subsidies to locate housing of their choice. In general, the tenant's income cannot exceed 50% of the area's median income (AMI) adjusted for family size, with exceptions up to 80% AMI. In practice, most participants have incomes less than 30% AMI.

These rental assistance programs can be thought of as “deep” subsidy programs. Other federal housing programs also produce affordable housing, typically with shallower subsidies. Although these units are often more affordable than market-rate units, without additional rent subsidies (such as vouchers), extremely low-income families (those earning less than 30% AMI) often have to pay much more than 30 percent of their incomes under these programs. Primary examples of these shallower subsidy programs include:

Low-Income Housing Tax Credit (LIHTC) Program. The LIHTC program was established in 1986 by Section 42 of the Internal Revenue Code. Under this program, tax credits are allocated to a project based on the number of qualified low-income units and the costs of development. These tax credits run ten years and offset income tax liability of the investing limited partners. These credits are typically sold (in the form of a limited partnership interest) to private investors for a dollar-for-dollar credit against federal income tax. In return, the property owners agree to indirectly subsidize rents for low-income tenants by restricting rents to maximums (based on area median incomes) that are approved annually by the Department of Housing and Urban Development (HUD).

In order to qualify for the LIHTC program, several conditions must be met. First, the project owner must allocate at least 20% of the units to households within incomes at or below 50% of AMI or must allocate 40% of the units to households at or below 60% of AMI. In addition to the tenant income qualifications, the rent charged is based on 30% of the income limit

for the household occupying each unit. Additionally, for utilities not provided, the rent limit must be adjusted downward by a utility allowance established by HUD or the Local Housing Authority for each unit type.

The tax credits are allocated over the first 10-year period; however, the low-income restrictions typically run for a period of 40 years; an initial 15-year compliance period required by the IRS plus an additional 15-year or longer period referred to as the “extended low-income use period.” During the compliance period, failure to adhere to the program specifications or reduction in the number of low income units on which the credit is based will result in recapture penalties.

The LIHTC program has been the primary program used to develop the majority of affordable housing projects in the United States over the past 20 years.

HOME Investment Partnerships Program:

Provides annual formula grants to state and local governments that can be used to assist homeowners, first-time homebuyers, or renters. Qualifying rents must be affordable to households with incomes not exceeding 65 percent of AMI or must be less than the local Fair Market Rent (FMR), whichever is less.

USDA Section 515 Rural Rental Housing:

Formerly known as the Farmers Home Administration Section 515 Rural Rental Housing Program, Rural Development (RD) is regulated by the USDA. It is a federal program that provides low interest loans to finance housing that serves low-income persons in rural areas who pay 30% of their adjusted income on rent or the basic rent, whichever is higher – but not exceeding market rent. “Basic rent” is the rent needed to pay operating and maintenance expenses plus the mortgage payment and is calculated annually by USDA RD. In many RD projects, the property may also include project-based rental assistance for units. While the income restrictions are capped at 80% of AMI, in practice, most participants have incomes significantly below that, especially those receiving rental assistance.

Older rental subsidy programs:

Programs named for sections of the National Housing Act, primarily the Section 221(d)(3) Below Market Interest Rate Program and the Section 236 mortgage assistance program, were active from the early 1960s through the early 1970s. They were designed to produce housing affordable for families with incomes greater than the public housing income limits.

**HOUSEHOLD
INCOME
RESTRICTIONS**

To qualify as a resident under the Federal Low-Income Housing Tax Credit (LIHTC) Program, units are restricted to rents based on area median income. The LIHTC rents are determined both by income and by unit size. The following chart lists the maximum income levels that apply in Benton/Franklin Counties. The 2018 median income for a family of four is \$72,800.

**INCOME LIMITS (2018 MTSP Limits)
Benton/Franklin Counties
2018 Median Income: \$72,800**

Household Size	30% of Median Income	40% of Median Income	50% of Median Income	60% of Median Income	80% of Median Income
1 person	\$15,240	\$20,320	\$25,400	\$30,480	\$40,640
2 person	\$17,400	\$23,200	\$29,000	\$34,800	\$46,400
3 person	\$19,590	\$26,120	\$32,650	\$39,180	\$52,240
4 person	\$21,750	\$29,000	\$36,250	\$43,500	\$58,000
5 person	\$23,490	\$31,320	\$39,150	\$46,980	\$62,640
6 person	\$25,230	\$33,640	\$42,050	\$50,460	\$67,280
7 person	\$26,970	\$35,960	\$44,950	\$53,940	\$71,920
8 person	\$28,710	\$38,280	\$47,850	\$57,420	\$76,560

Source: WSHFC

In order to comply with the LIHTC program, units cannot be leased to households whose incomes exceed the levels shown in the table. Tenants must qualify at or below the respective median income levels based on household size.

Maximum allowable rents are then adjusted for tenant paid utilities. The utility allowance is usually determined by the local housing authority based on the size and type of heat and utilities paid by tenant. Assuming all basic utilities are included in the base rent results in the following table of maximum allowable gross program rents. Also shown are the average asking market rents (all ages) according to CoStar presented earlier and used here as a proxy for market rent. These proxy market rents are conservative for comparison to the tax credit program rents because these market rents exclude upward adjustment for tenant utilities (i.e. tenant paid electricity as well as water, sewer and garbage if passed on to residents) compared to the subject's gross program rents that assume all utilities are included in the base rent.

Rental Rate Determination - 30% of Median

Unit Type	People per Unit	30% of Median Income	Max. Allowable Gross Rent/Month	Average CoStar Asking Rent/Month	Rent Gap Advantage/ (Disadvantage)	LIHTC % Above/ (Below Market)
Studio	1.0	\$15,240	\$381	\$892	\$511	-57%
1 Bedroom	1.5	\$16,320	\$408	\$906	\$498	-55%
2 Bedroom	3.0	\$19,590	\$489	\$1,018	\$529	-52%
3 Bedroom	4.5	\$22,620	\$565	\$1,199	\$634	-53%

Rental Rate Determination - 40% of Median

Unit Type	People per Unit	40% of Median Income	Max. Allowable Gross Rent/Month	Current HUD FMR Gross Rent/Month	Rent Gap Advantage/ (Disadvantage)	LIHTC % Above/ (Below Market)
Studio	1.0	\$20,320	\$508	\$892	\$384	-43%
1 Bedroom	1.5	\$21,760	\$544	\$906	\$362	-40%
2 Bedroom	3.0	\$26,120	\$653	\$1,018	\$365	-36%
3 Bedroom	4.5	\$30,160	\$754	\$1,199	\$445	-37%

Rental Rate Determination - 50% of Median

Unit Type	People per Unit	50% of Median Income	Max. Allowable Gross Rent/Month	Current HUD FMR Gross Rent/Month	Rent Gap Advantage/ (Disadvantage)	LIHTC % Above/ (Below Market)
Studio	1.0	\$25,400	\$635	\$892	\$257	-29%
1 Bedroom	1.5	\$27,200	\$680	\$906	\$226	-25%
2 Bedroom	3.0	\$32,650	\$816	\$1,018	\$202	-20%
3 Bedroom	4.5	\$37,700	\$942	\$1,199	\$257	-21%

Rental Rate Determination - 60% of Median

Unit Type	People per Unit	60% of Median Income	Max. Allowable Gross Rent/Month	Current HUD FMR Gross Rent/Month	Rent Gap Advantage/ (Disadvantage)	LIHTC % Above/ (Below Market)
Studio	1.0	\$30,480	\$762	\$892	\$130	-15%
1 Bedroom	1.5	\$32,640	\$816	\$906	\$90	-10%
2 Bedroom	3.0	\$39,180	\$979	\$1,018	\$39	-4%
3 Bedroom	4.5	\$45,240	\$1,131	\$1,199	\$68	-6%

In general, restricted rents should be less than market rents to ensure sufficient incentive for a tenant to undergo the income evaluation process, to compensate for any lack of amenities, and to offset any negative stigma there may be to residing in an affordable housing project. If a tenant were able to rent a market-rate unit at another project, with perhaps superior amenities to an “affordable income” property, the tenant would likely do so unless the rent is sufficiently below market to provide an incentive. However, evidence of stigma is becoming less evident especially in secondary and tertiary markets. Tax credit properties are often the nicest, best-kept and newest rental properties available.

Homeless Housing Needs Analysis
KM Job A18-0762

Kidder Mathews, WSHFC, USDA and HUD Sect-8 Databases (effective 10/18/2018)
RESTRICTED RENT COMPETITIVE SUPPLY

													Affordability Program					Special Set Asides					LIHTC Breakout by Income Restriction								
Name	City	Zip	No. of Units	Resd. Units	LIHTC Units	Year Built	Studio	1BR	2BR	3BR	4BR+	Target	HUD		Sec-8/ Other	# of Sub-sidized	Elderly	Farm Worker	Dis-abled	Large HH	Home-less	30% AMI	35% AMI	40% AMI	45% AMI	50% AMI	60% AMI	Mgr or Emp	Mkt		
													PHA	LIHTC																USDA-RD	USDA Sub-sidized
Benton City Homes	Benton City	99320	10	10						10		Family		x	10 of 10	10							10								
Cherryhill Villas - New	Benton City	99320	28	27					12	13	3	Family		x	24 of 25	24											27	7	1		
Desert Rose Terrace	Benton City	99320	26	25	25			14	12			Senior Disabled		x			25		5				10	8							
Pioneer Park	Connell	99326	51	50	50	1996			8	12	6	Disabled, Large HH		x					10	10						26	24	1			
Wheatlands	Connell	99326	20	19	19	2005			16	4		Senior		x	x	19 of 20	19	19								30	19	1			
Affinity at Southridge	Kennewick	99338	150	30	30	2014	12	78	60			Senior, Disabled		x			150		30											120	
Brentwood	Kennewick	99336	105	98		1977		71	34			Family			x	98						98									
Chenoweth House	Kennewick	99336	36	8			29	7				Senior					36						2			6					
Copper Ridge Apartments	Kennewick	99338	232	230	230	2012		44	126	60		Disabled, Large HH		x					47	47							230	2			
Desert Villa & Desert Villa East	Kennewick	99336	155	151	151	1978		147	8			Senior		x	x	151	154										151	1	3		
Edison Terrace South	Kennewick	99336	15	15				15				Disabled			x	15			14												
Edison Terrace West	Kennewick	99336	45	44				44	1			Senior			x	44	45									15					
Hawaiian Village	Kennewick	99336	96	76				12	84			Family			x	76						76									
Heatherstone	Kennewick	99336	225	223	223	1996		72	104	48		Large HH		x						34								223	2		
Kamiakin Apartments	Kennewick	99336	236	233	233	1975		212	24					x													70	163	3		
Keewaydin Plaza	Kennewick	99336	66	66				66				Disabled		x		x	66					66									
Kennewick Garden Court	Kennewick	99336	27	22		1981		27				Senior			x	22						22									
Kent Manor	Kennewick	99336	51	50	50	1997			18	20	13	Disabled, Large HH		x					10	10											
Meadow Park Apartments	Kennewick	99336	155	152	152	1976		124	31			Disabled, Large HH, Homeless							31	31	16	61		46			45	3			
Mitchell Manor	Kennewick	99336	6	6				6				Disabled		x		x	6			6											
Nueva Vista	Kennewick	99336	32	32	32	2016		12	18	2		Disabled, Homeless		x	x	x	16			7	16	16		8		6	8				
Nueva Vista II	Kennewick	99336	28	28	28	2017		10	16	2		Disabled, Homeless		X					6		14	28									
Parkview Apartments	Kennewick	99336	109	107	107	1996	12	26	40	29		Disabled, Large HH		x					22	22						107		2			
Quail Ridge Apartments	Kennewick	99336	51	50	50	1994		21	20	10		Disabled, Large HH							10	10						50		1			
Sandstone Apartments	Kennewick	99336	121	119	119	1995		40	55	24		Disabled, Large HH							27	24						119		2			
Sunnyslope Homes	Kennewick	99336	124	124				29	52	37	6	Disabled		x	x	124			6			124									
Ringold Seasonal Farmworker Hous	Mesa	99343	96	96								Farmworker - 96 beds										96									
AMP1	Pasco	99301	68	68					10	22	36	Public Housing		x		x	68					68									
AMP2	Pasco	99301	120	120			22	89	9			Public Housing		x		x	120					120									
AMP3	Pasco	99301	92	92				45	11	22	14	Public Housing		x		x	92					92									
Bishop Topel Haven	Pasco	99301	43	42	42	2011			19	20	4	Farm Worker		x	x			32													
Highland Park	Pasco	99301	24	24				6	12	6				x								24									
Laposada	Pasco	99301	66	65				41	25			Farm Worker, Family			x	65 of 66	65					65									
Pinecrest Apartments	Pasco	99301	54	53	53	1971		10	41	3		Disabled		x	x																
Scattered Sites	Pasco	99301	44	44										x		x	44			11						53			1		
Silver Creek Apartments	Pasco	99301	242	240	240	2005		48	75	66	53	Large HH		x						48											
Stonestate	Pasco	99301	200	198	198	2005		32	123	45		Disabled, Large HH		x					40	40											
Tepeyac Haven	Pasco	99301	45	44	44	2007		21	19	4		Farm Worker, Large HH		x						9											
TRI CITIES VISTA LOW COST HOUSING	Pasco	99301	52	45				8	30	14		Family			x	45			44						44						
Varney Court	Pasco	99301	38	38	38			24	24	2		Farm Worker, Large HH		x	x	x	38					45					19	19			
Vineyards, The	Pasco	99301	46	45	45	2005				22	24	Farm Worker, Large HH		x	x				45	8		18					23	4	1		
Prosser Gardens	Prosser	99350	40	30		1978		12	22	6		Family			x	30						30									
Prosser Manor	Prosser	99350	24	24		1986		24				Senior				21						24									
Rio de Vida	Prosser	99350	51	50	50				17	34		Family		x	x	16 of 16	16	24		10											
Saint Anthony	Prosser	99350	61	60	60			26	35			Senior, Disabled										30									
Columbia Park	Richland	99352	140	56	56	1952		14	47	58	19	Disabled		x	x		56			14		8									
Cullum House	Richland	99352	9	8																											
LUTHER SENIOR CENTER I	Richland	99354	50	34				47	3			Senior			x	34	50					34									
LUTHER SR CENTER ADDITION #1	Richland	99354	24	19				24				Senior			x	19	24					19									
McMurray Park	Richland	99352	100	98	98	1997		16	62	22		Large HH		x								26									
Orchard Hills Apartments	Richland	99352	142	141	141	1994		32	56	40	14	Large HH		x						15											
Three Rivers Village	Richland	99354	41	40	40	1983						Senior, Disabled		x																	
Tri-Cities Terrace I Housing Project	Richland	99352	60	59		2002		59	1			Senior		x		x	60			8		16		12							
Tri-Cities Terrace II	Richland	99352	40	39		2002		39	1			Senior		x		x	40										59				
Tri-Cities Terrace South	Richland	99352	15	14				14	1			Disabled			x	14															
Vintage at Richland	Richland	99336	150	148	148	2004		45	105			Senior, Disabled		x			150			30							45	103	2		
Total LIH Units			4,377	4,029	2,752												Total	1,548	877	160	360	349	46	1,251	38	160	103	878	1,599	39	205
Total Project Count																	% of Total	38%	22%	4%	9%	9%	1%	31%	1%	4%	3%	22%	40%	1%	5%

AFFORDABLE SUPPLY

The table on the previous page lists existing affordable housing inventory in Benton & Franklin Counties. This list combines several datasets including the Washington State Housing Finance Commission, State Department of Commerce, public housing authorities and federal datasets created by HUD and USDA. Combined, this dataset represents the majority of public and privately assisted affordable rental housing.

Affordable Supply by Income Distribution & Program

Type	Target Income Level	Benton/Franklin Combined	Benton County	Franklin County	% of Total Combined	% of Total Benton County	% of Total Franklin County
LIHTC Only	30% AMI	173	155	18	4.3%	5.6%	1.4%
LIHTC Only	35% AMI	36	36	0	0.9%	1.3%	0.0%
LIHTC Only	40% AMI	140	54	86	3.5%	2.0%	6.7%
LIHTC Only	45% AMI	50	50	0	1.2%	1.8%	0.0%
LIHTC Only	50% AMI	572	451	121	14.2%	16.4%	9.4%
LIHTC Only	60% AMI	1,342	948	394	33.3%	34.5%	30.7%
Workforce	80% AMI	0	0	0	0.0%	0.0%	0.0%
USDA, HUD, Other	30% AMI*	1,716	1,052	664	42.6%	38.3%	51.8%
Total	Total	4,029	2,746	1,283	100.0%	100.0%	100.0%

*Most residents have incomes less than 30% AMI

As shown on the previous restricted supply chart, there are 56 affordable housing projects operating under the various affordable housing programs with a total of 4,377 restricted units. Of these, more than 57% operate solely under the LIHTC program with the remaining 43% under some combination of USDA, HUD, LIHTC or other programs – most with rental assistance (subsidies) where the majority of residents earn less than 30% of the area median income. Three of the projects have a total of 46-units specifically set-aside for the formerly homeless. These include Meadow Park Apartments, Nueva Vista I and II, which operate under the tax credit program. None are permanent supportive housing targeting the chronically homeless.

Homeless Housing Inventory

Homeless assistance programs have generally been grouped according to the residential component, rather than the nonresidential supportive services offered.⁴ The basic broad categories are “emergency shelter”, “transitional housing” and “permanent supportive housing”.

HUD defines emergency shelters as a facility with the primary purpose of providing temporary shelter for homeless people. These are typically open 24 hours a day; provide shelter in congregate settings with communal sleeping and eating space. Shelters can vary widely in the amount and type of services offered.

⁴ Gubits, Daniel, et al. (2015). “Family Options Study, Short-Term Impacts of Housing and Services for Homeless Families,” U.S Department of Housing and Urban Development.

Transitional housing offers homeless persons a place to stay or a rent subsidy with supportive services for a longer period, typically 6 to 24 months. Often persons are referred to transitional housing from emergency shelters. Transitional housing can include project based transitional housing, scattered site and temporary rent assistance. As with emergency shelters, services offered vary across programs and may be more intensive than those offered at shelters including case management and supportive services. The goal of most transitional housing is to place residents in stable housing at program completion.

A subcategory is “Safe Havens”, which HUD defines as projects that provide private or semi-private long-term housing for people with severe mental illness and are limited to serving no more than 25 people within a facility.

Permanent supportive housing (PSH) is designed to provide housing (either project based or tenant based) and supportive services on a long term basis to formerly homeless people. McKinney-Vento-funded programs typically require that the client have a disability for program eligibility, so the majority of people in PSH have disabilities. Under the Low Income Housing Tax Credit (LIHTC) program, there are projects (or units within projects) that have been developed specifically for homeless households as permanent supportive housing.

Another subcategory and recent innovation is Rapid Re-Housing, which is a housing model designed to provide temporary housing assistance to people experiencing homelessness, moving them quickly out of homelessness and into permanent housing. Rapid Re-Housing is included under the umbrella of Permanent Supportive Housing and are excluded from the HUD PIT (Point in Time) counts.

Each county in Washington State reports all expenditures by funding sources for each homeless housing project in their community. The following is a summary of homeless beds as reported by the Department of Commerce in their Annual County Expenditure Report (The Golden Report).

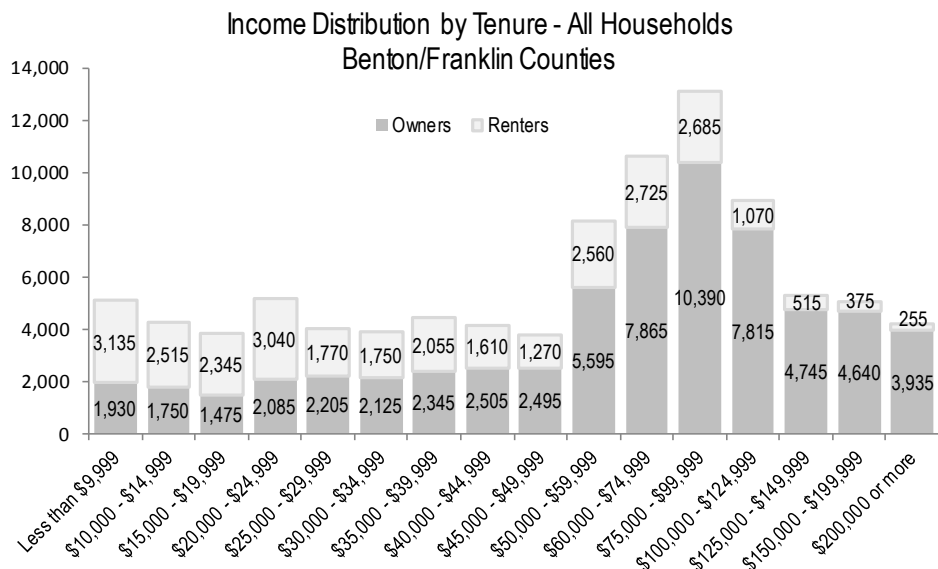
Homeless Beds by Project Type

Intervention	Beds for HH w/Minors	Beds for HH w/out Minors	Beds for Veterans	Beds for Youth	Chronic Homeless Setaside	Dedicated Homeless Beds	Non-Homeless Beds for HH w/Minors	Non-Homeless Beds for HH w/out Minors
Emergency Shelter	42	121	0	16	0	210	0	0
Transitional Housing	37	22	10	0	0	69	0	0
Subtotal	79	143	10	16	0	279	0	0
Permanent Housing	0	0	0	0	0	45	12	274
Permanent Supportive Housing	22	39	0	0	109	177	0	0
Subtotal	22	39	0	0	109	222	12	274
Grand Total	101	182	10	16	109	501	12	274

Source: The Golden Report (effective 2/21/2018) - Department of Commerce

According to this source, there are 501 dedicated homeless beds in the region including 222 permanent housing supportive housing beds.

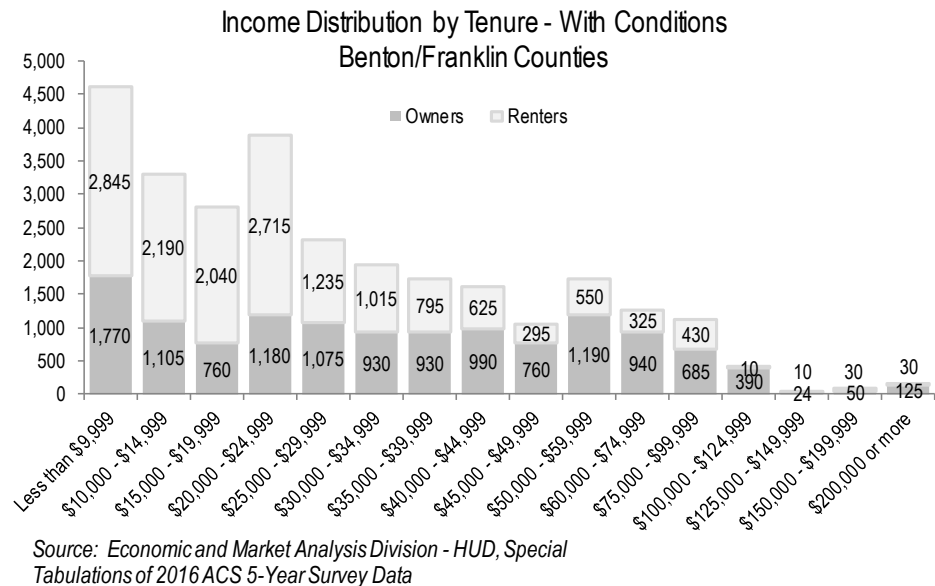
Precariously Housed



The Economic and Market Analysis Division of HUD compiles special tabulations using US Census American Community Survey (ACS) survey data, which breaks down households by income, renter vs. owner, and age of householder. This data is only available down to a countywide basis. As shown, there are an estimated 5,065 households (1,930 owner plus 3,135 renter households) earning less than \$9,999.

This special tabulation further segregates households into those “With Conditions”, which is defined as a household having at least one of the following housing conditions:

- lacking complete plumbing facilities,
- lacking complete kitchen facilities,
- more than 1.01 persons per room, and
- monthly shelter costs greater than 30 percent of household income



As shown, there are 4,615 households (1,770 owner plus 2,845 renter households), or 91% of households earning less than \$9,999 that have housing “With Conditions.” These households can be described as precariously housed.

Affordable Housing Gap

The following demand profiles summarize housing affordability based on the “CHAS” dataset (Comprehensive Housing Affordability Strategy), which consists of special tabulations based on ACS census figures (latest available are the 2011-2015 five-year estimates) cross tabulated with HUD adjusted Median Family Incomes to create estimates of the number of households that would qualify for HUD assistance.

These figures are used to demonstrate the number of households in need of housing assistance. Each profile compares the estimated number of owner and renter households at various affordable income program levels to the number of households in “affordable” units (i.e. the household is paying less than 30% of household income toward housing costs) to those households that are cost burdened (i.e. housing costs are greater than 30% of household income). The difference, or “gap” in units, was then converted to the number of units per 100 households to allow for easy comparison between geographic areas. Also shown are the number of

households that have “housing problems”, defined by HUD as households that have at least one of the following: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room (overcrowding), and cost burden greater than 30%.

Washington State

Source 2015 ACS
Households 2,668,910
Owner Households 1,668,070
Renter Households 1,000,840
% Renter 37.5%

			Owner Household Demand						Affordable Units Needed		
			Owner Households	Cost Burdened ¹	Severely Cost Burdened ²	Housing Problems ³	Households In Affordable Units	In Affordable per 100 HH	Cost Burdened per 100 HH	Severely Cost Burdened per 100 HH	Housing Problems per 100 HH
% of Median Family Income	HUD Affordable Categories	CHAS Data									
<=30%	Extremely Low Income	6.4%	106,570	79,630	64,285	81,365	26,940	25	75	60	76
>30% to <=50%	Very Low Income	7.9%	132,095	78,275	43,935	80,995	53,820	41	59	33	61
>50% to <=80%	Low Income	13.0%	217,270	103,540	34,320	109,085	113,730	52	48	16	50
>80% to <=100%	na	10.3%	171,955	62,295	10,625	65,970	109,660	64	36	6	38
>100%	na	62.4%	1,040,185	111,380	10,915	123,570	928,805	89	11	1	12
Total		100.0%	1,668,075	435,120	164,080	460,985	1,232,955	74	26	10	28

			Renter Household Demand						Affordable Units Needed		
			Renter Households	Cost Burdened ¹	Severely Cost Burdened ²	Housing Problems ³	Households In Affordable Units	In Affordable per 100 HH	Cost Burdened per 100 HH	Severely Cost Burdened per 100 HH	Housing Problems per 100 HH
% of Median Family Income	HUD Affordable Categories	CHAS Data									
<=30%	Extremely Low Income	23.5%	234,815	182,495	151,270	186,495	52,320	22	78	64	79
>30% to <=50%	Very Low Income	17.6%	176,395	141,815	52,005	148,075	34,580	20	80	29	84
>50% to <=80%	Low Income	19.5%	194,960	93,750	10,725	104,445	101,210	52	48	6	54
>80% to <=100%	na	10.8%	108,455	21,965	1,610	27,740	86,490	80	20	1	26
>100%	na	28.6%	286,215	12,605	1,580	23,795	273,610	96	4	1	8
Total		100.0%	1,000,840	452,630	217,190	490,550	548,210	55	45	22	49

¹ Housing costs are >30% of household income

² Housing costs are >50% of household income

³ Households has at least one of the following: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%

For example, statewide for every 100 extremely low-income renter households, 22 households reside in affordable units. Alternatively, it shows that for every 100 renter households, 78 are “cost burdened” (housing costs are more than 30% of household income) and 64 are “severely cost burdened” (housing costs are more than 50% of household income). Also, at this income level, 79 out of 100 renter households have “housing problems” as defined by HUD above. Similar trends are shown statewide for extremely low-income owner households with 75 out of 100 cost burdened, 60 out of 100 severely cost burdened and 76 out of 100 with housing problems.

As household incomes increase, more housing choices typically become available and the gap shrinks. At the 50% to 80% income level statewide, 52 renter and 52 out of 100 owner households reside in affordable units. Although the number of cost burdened households paying more than 30% of income toward housing costs decreases with increasing household income, 6 out of 100 renter households and 16 out of 100 owner households are severely cost burdened statewide in Washington.

Benton & Franklin Counties

Source 2015 ACS
Households 92,155
Owner Households 62,105
Renter Households 30,050
% Renter 32.6%

			Owner Household Demand						Affordable Units Needed		
			Owner Households	Cost Burdened ¹	Severely Cost Burdened ²	Housing Problems ³	Households In Affordable	Households In Affordable per 100 HH	Cost Burdened per 100 HH	Severely Cost Burdened per 100 HH	Housing Problems per 100 HH
% of Median Family Income	HUD Affordable Categories	CHAS Data									
<=30%	Extremely Low Income	5.8%	3,575	2,475	1,885	2,580	1,100	31	69	53	72
>30% to <=50%	Very Low Income	6.6%	4,125	1,895	965	2,155	2,230	54	46	23	52
>50% to <=80%	Low Income	13.4%	8,340	3,170	690	3,555	5,170	62	38	8	43
>80% to <=100%	na	10.4%	6,480	1,385	220	1,685	5,095	79	21	3	26
>100%	na	63.7%	39,585	1,370	95	1,980	38,215	97	3	0	5
Total		100.0%	62,105	10,295	3,855	11,955	51,810	83	17	6	19

			Renter Household Demand						Affordable Units Needed		
			Renter Households	Cost Burdened ¹	Severely Cost Burdened ²	Housing Problems ³	Households In Affordable	Households In Affordable per 100 HH	Cost Burdened per 100 HH	Severely Cost Burdened per 100 HH	Housing Problems per 100 HH
% of Median Family Income	HUD Affordable Categories	CHAS Data									
<=30%	Extremely Low Income	22.1%	6,655	5,395	4,465	5,505	1,260	19	81	67	83
>30% to <=50%	Very Low Income	19.7%	5,905	4,565	1,660	4,905	1,340	23	77	28	83
>50% to <=80%	Low Income	22.2%	6,660	2,600	240	3,340	4,060	61	39	4	50
>80% to <=100%	na	10.1%	3,035	330	10	735	2,705	89	11	0	24
>100%	na	25.9%	7,795	239	130	730	7,556	97	3	2	9
Total		100.0%	30,050	13,129	6,505	15,215	16,921	56	44	22	51

¹ Housing costs are >30% of household income

² Housing costs are >50% of household income

³ Households has at least one of the following: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and cost burden greater than 30%

Similar trends were shown for Benton & Franklin Counties. For every 100 extremely low income owner households earning less than 30% AMI, 53 out of 100 (1,885 owner households) and 67 out of 100 (4,465 renter households) are severely cost burdened for a combined 6,350 households. Also at this income level, 2,580 owner households and 5,505 renter households for a combined 8,085 households have “housing problems” as defined by HUD. These data show that there is a significant shortage of affordable housing, especially for the extremely low income that are severely cost burdened or are living in substandard housing and considered precariously housed.

Homelessness Profile

Homelessness Profile

Introduction

People who are homeless are as varied as the general population with different family relationships, backgrounds, ages, ethnicities and genders. Common drivers of homelessness include extreme poverty; high levels of physical, mental and social disabilities; and social isolation.⁵

Definition of Homeless

Definitions of what constitutes homelessness can vary by jurisdiction and within various agencies of government. The primary federal legislation addressing homelessness is the McKinney-Vento Act of 1987, which has been reauthorized several times since and created numerous homeless assistance programs.

The two major definitions of homelessness in use by federal agencies are the education definition (Section 725) of the McKinney-Vento Act, and the Housing and Urban Development (HUD) definition (Section 103) of the McKinney-Vento Act. Due to their length, full definitions are included in the addendum.

In general, both definitions take homelessness to mean an individual or family who “lacks a fixed, regular, and adequate night-time residence”. Examples can include persons living in unsheltered locations such as cars, parks, open spaces, abandoned buildings, camp grounds or other places not ordinarily used as regular sleeping accommodations for human beings. Also included are persons living in emergency shelters and transitional housing.

The education (Section 103) definition expands to include children and youth temporarily “doubled-up” (i.e. sharing housing due to loss of housing, economic hardship, or a similar reason), migrant workers and their children, as well as children living in motels. The McKinney-Vento Act requires public schools to identify homeless children (under this expanded definition) and provide free transportation and other services. The narrower HUD definition (which excludes people “doubled-up” and precariously housed) is used in the enumeration of the one night homeless counts and little is known about the extent of overlap in identification between these two definitions.^{6, 7}

⁵ Rossi, P. H., & Wright, J. D. (1987). The determinants of homelessness. *Health Affairs*, 6, 19–32.

⁶ Cunningham, Mary, et al. (2010). “Residential Instability and the McKinney-Vento Homeless Children and Education Program: What We Know, Plus Gaps in Research,” Washington, DC: The Urban Institute.

⁷ Shah, Melissa Ford, et al. (2015). “Homeless and Unstably Housed K-12 Students in Washington State: Who are they and how are they faring?,” Olympia, Washington: Department of Social and Health Services | Research and Data Analysis Division.

The “chronically homeless”, are a subpopulation of the homeless defined by HUD as someone with a disabling condition such as a chronic health problem, psychiatric or emotional condition, or physical disability that has either:

- Been continuously homeless for a year, or
- Has experienced at least four episodes of homelessness in the last three years.

Estimating the Homeless Population

Each year HUD prepares the Annual Homeless Assessment Report to Congress (AHAR), which is a compilation of local level data from throughout the county. The AHAR report is produced in two parts: part-one is based on point-in-time counts of both sheltered and unsheltered homeless populations; part-two relies on counts of the sheltered homeless population over a full year provided by a sample of communities based on data in their local Homeless Management Information Systems (HMIS).

The point-in-time (PIT) counts are unduplicated one-night estimates of both sheltered and unsheltered homeless populations. The one-night counts are conducted by Continuums of Care nationwide and occur during the last week in January of each year. Continuums of Care (CoC) are local planning bodies responsible for coordinating the full range of homeless services in a geographic area, which may cover a city, county, metropolitan area, or an entire state.

Summary Profile of Homeless Subpopulations:

Source: 2017 AHAR (Part 2)

Typical Person (All Subpopulations:) Who Was Homeless in 2017

A Man in Shelter by Himself

One-year Estimate	1,416,908 Sheltered Homeless
Gender	62.4% Male
Household Size	64.9% 1-person HH
Age	33.0% Age 31 to 50
Disability	55.6% No disability
Location	72.5% Were in a city
Before Entering Shelter	47.8% Already homeless
Average Stay in Shelter	27 Nights

Places Adults Stayed -Before Entering Shelter

	2017	% total
Already homeless	539,585	47.8%
Housing	400,728	35.5%
Staying with family	175,179	15.5%
Staying with friends	125,250	11.1%
Rented housing unit	88,653	7.9%
Owned housing unit	8,536	0.8%
Permanent supportive housing	3,110	0.3%
Institutional Settings	128,857	11.4%
Substance abuse center	29,548	2.6%
Correctional facility	52,281	4.6%
Hospital	27,760	2.5%
Psychiatric facility	19,268	1.7%
Other Settings	60,071	5.3%
Hotel or motel	41,911	3.7%
Foster care home	3,544	0.3%
Other living arrangement	14,616	1.3%
Total	1,129,241	100.0%

Typical Homeless Individual in 2017

A Man in Shelter by Himself

One-year Estimate	950,497 Sheltered Individuals
Gender	70.6% Male
Household Size	97.4% 1-person HH
Age	40.7% Age 31 to 50
Disability	50.8% No disability
Location	74.6% Were in a city
Before Entering Shelter	49.6% Already homeless
Average Stay in Shelter	22 Nights

Places Adult Individuals Stayed -Before Entering Shelter

	2017	% total
Already homeless	471,682	49.6%
Housing	305,183	32.1%
Staying with family	129,472	13.6%
Staying with friends	101,644	10.7%
Rented housing unit	64,318	6.8%
Owned housing unit	6,884	0.7%
Permanent supportive housing	2,865	0.3%
Institutional Settings	126,726	13.3%
Substance abuse center	28,257	3.0%
Correctional facility	51,936	5.5%
Hospital	27,249	2.9%
Psychiatric facility	19,284	2.0%
Other Settings	46,905	4.9%
Hotel or motel	29,876	3.1%
Foster care home	3,445	0.4%
Other living arrangement	13,584	1.4%
Total	950,496	100.0%

Typical Homeless Person in a Family in 2017

A Young Mother in Shelter with a Child

One-year Estimate	478,718 Sheltered People in Families
Gender	77.9% Female
Household Size	52.1% 2 or 3-person HH
Age	60.8% Under age 18
Disability	78.5% No disability
Location	68.3% Were in a city
Before Entering Shelter	53.0% Staying in housing
Average Stay in Shelter	46 Nights

Places Adults in Families Stayed -Before Entering Shelter

	2017	% total
Already homeless	71,539	38.1%
Housing	99,309	52.8%
Staying with family	47,354	25.2%
Staying with friends	24,720	13.2%
Rented housing unit	25,239	13.4%
Owned housing unit	1,734	0.9%
Permanent supportive housing	262	0.1%
Institutional Settings	2,961	1.6%
Substance abuse center	1,497	0.8%
Correctional facility	690	0.4%
Hospital	683	0.4%
Psychiatric facility	91	0.0%
Other Settings	14,167	7.5%
Hotel or motel	12,393	6.6%
Foster care home	122	0.1%
Other living arrangement	1,149	0.6%
Total	187,976	100.0%

Typical Homeless Veteran in 2017

A Man in Shelter by Himself

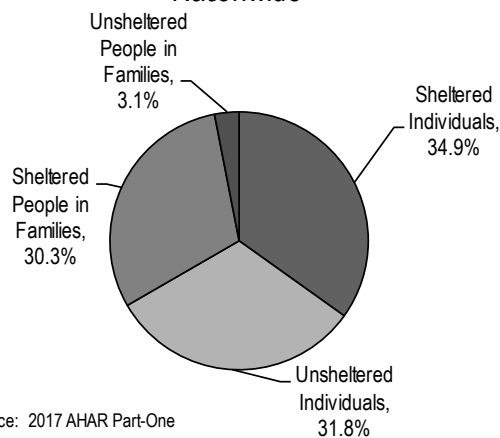
One-year Estimate	118,380 Sheltered Veterans
Gender	91.9% Male
Household Size	99.9% 1-person HH
Age	42.2% Age 51 to 61
Disability	59.4% Had a disability
Location	72.0% Were in a city
Before Entering Shelter	55.1% Already homeless
Average Stay in Shelter	23 Nights

Places Veterans Stayed -Before Entering Shelter

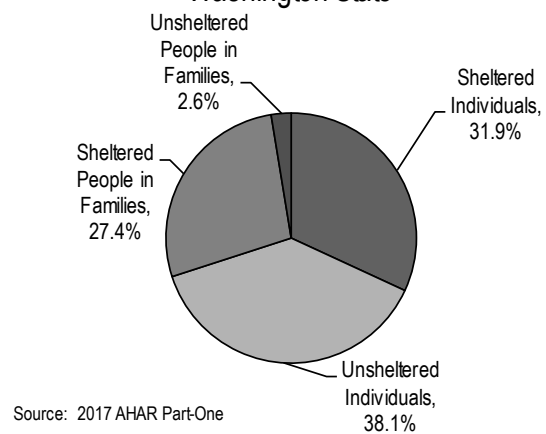
	2017	% total
Already homeless	65,234	55.1%
Housing	29,887	25.3%
Staying with family	10,225	8.6%
Staying with friends	9,364	7.9%
Rented housing unit	8,890	7.5%
Owned housing unit	1,071	0.9%
Permanent supportive housing	337	0.3%
Institutional Settings	17,546	14.8%
Substance abuse center	4,964	4.2%
Correctional facility	4,474	3.8%
Hospital	4,854	4.1%
Psychiatric facility	3,254	2.7%
Other Settings	5,676	4.8%
Hotel or motel	4,304	3.6%
Foster care home	na	na
Other living arrangement	1,372	1.2%
Total	118,343	100.0%

NATIONAL TRENDS According to the 2017 AHAR (part-one), 553,742 people were homeless nationally on a given night in January. Most (65%) were staying in sheltered locations and 35% were found in unsheltered locations. Of those sheltered, 21% were children under age 18, 10% were between the ages of 18 and 24, and 63% were age 25 and older. Of those unsheltered, 6% were children under age 18, 11% were between the ages of 18 and 24, and 83% were age 25 and older. Homelessness has declined by 14.4% since 2007 based on these PIT count figures. The distribution for Washington State reflects a higher ratio of unsheltered individuals compared to the national distribution.

Percent Homless by Household Type
Nationwide



Percent Homless by Household Type
Washington State



Typical Homeless Profiles

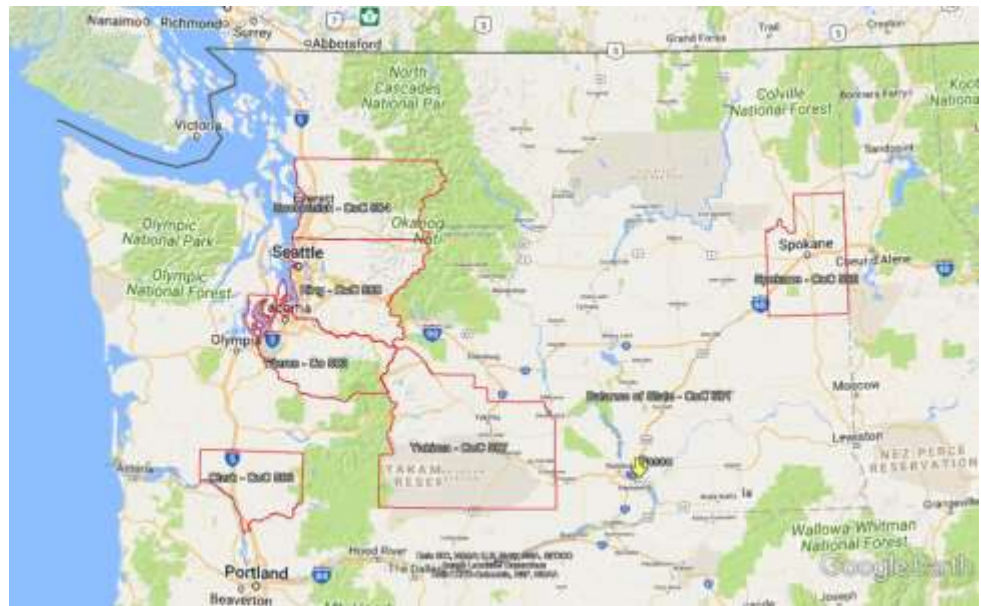
Additional context is provided by HMIS (Homeless Management Information System) data, which reflects one-year estimates for all people who used emergency shelter or transitional programs at any time from October through September 30 of the following year. The latest report available is the 2017 AHAR (part-two).

The four tables on the previous page summarize the typical profiles of various homeless subpopulations that used shelter services. While the point in time (PIT) count reflects a “snap shot” of the number of homeless on a single night in January, the HMIS data reflect one-year estimates. For comparison, the national one-year sheltered homeless estimate of the number of users of shelters and transitional programs is 1.4 million, nearly four times larger than the 361,000-sheltered homeless counted by the PIT count.

In general, the typical homeless person is a male over age 30, whose primary living situation before the shelter services was homelessness (48%) followed by housing (36%) with most in this category “doubled up” (i.e. living with family or friends) followed by institutional settings (11%) and other settings such living at hotels or motels or other living arrangements. The profile changes slightly for the typical homeless veteran, which is likely to be older and have a disability. The typical person in a homeless family is likely to be a mother with a child, most under the age of 18 whose primary living situation before shelter services was some form of housing, most reflecting a doubled-up situation living with family or friends.

Breakdown by Regional CoC

In Washington State, there are seven HUD CoC regions; six representing individual counties and the seventh the Balance of State (representing all remaining Washington counties) as illustrated in the following map.



Homeless Subpopulations

A breakdown of the homeless by various subpopulations is presented on the following pages. Statewide, the chronically homeless represent nearly one in four (23%) of the total homeless population and 37% of the unsheltered population. In the Balance of State region (that includes the Tri-Cities area), the chronically homeless represent about one in five (21%) of the total homeless population and 44% of the unsheltered population. The largest subgroups of the unsheltered population include the severely mentally ill, victims of domestic violence and those with chronic substance abuse problems.

Washington State

HUD 2017 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations

Summary by Household Type	Emergency	Transitional	% of Total		% of Total			
	Shelter	Housing	Total	Sheltered	Unsheltered	Unsheltered	Total	% of Total
Households without children ¹	4,836	1,704	6,540	77.3%	5,070	93.5%	11,610	83.6%
Households with at least one adult and one child ²	750	1,073	1,823	21.5%	170	3.1%	1,993	14.4%
Households with only children ³	64	35	99	1.2%	184	3.4%	283	2.0%
Total Homeless Households	5,650	2,812	8,462	100.0%	5,424	100.0%	13,886	100.0%

Household Size 1.32 1.80 1.58 1.52

Summary of Persons in each Household Type	Emergency	Transitional	% of Total		% of Total			
	Shelter	Housing	Total	Sheltered	Unsheltered	Unsheltered	Total	% of Total
Persons in households without children¹	4,890	1,736	6,626	52.9%	7,834	91.2%	14,460	68.5%
Persons Age 18 to 24	336	314	650	5.2%	1,216	14.2%	1,866	8.8%
Persons Over Age 24	4,554	1,422	5,976	47.7%	6,618	77.0%	12,594	59.7%
Persons in households with at least one adult and one child²	2,492	3,296	5,788	46.2%	543	6.3%	6,331	30.0%
Children Under Age 18	1,505	1,991	3,496	27.9%	292	3.4%	3,788	17.9%
Persons Age 18 to 24	154	242	396	3.2%	34	0.4%	430	2.0%
Persons Over Age 24	833	1,063	1,896	15.1%	217	2.5%	2,113	10.0%
Persons in households with only children³	66	41	107	0.9%	214	2.5%	321	1.5%
Total Homeless Persons	7,448	5,073	12,521	100.0%	8,591	100.0%	21,112	100.0%

Summary of Chronically Homeless Persons in each Household Type	Emergency	Transitional	% of Total		% of Total			
	Shelter	Housing	Total	Sheltered	Unsheltered	Unsheltered	Total	% of Total
Chronically Homeless persons without children ¹	1,251	37	1,288	73.7%	3,062	95.9%	4,350	88.1%
Chronically Homeless persons with at least one adult and one child ²	457	0	457	26.2%	125	3.9%	582	11.8%
Chronically Homeless persons with only children ³	2	0	2	0.1%	5	0.2%	7	0.1%
Total Chronically Homeless Persons	1,710	37	1,747	100.0%	3,192	100.0%	4,939	100.0%
% of Total Homeless	23.0%	0.7%	14.0%		37.2%		23.4%	

Summary of all other Subpopulations Reported	Emergency	Transitional	% of Total		% of Total			
	Shelter	Housing	Total	Sheltered	Unsheltered	Unsheltered	Total	% of Total
Severely Mentally Ill	1,182	681	1,863	14.9%	3,163	36.8%	5,026	23.8%
Chronic Substance Abuse	685	451	1,136	9.1%	2,387	27.8%	3,523	16.7%
Veterans	548	546	1,094	8.7%	999	11.6%	2,093	9.9%
HIV/AIDS	48	22	70	0.6%	187	2.2%	257	1.2%
Victims of Domestic Violence	1,072	940	2,012	16.1%	2,501	29.1%	4,513	21.4%
Unaccompanied Youth	397	336	733	5.9%	1,402	16.3%	2,135	10.1%
Unaccompanied Youth Under 18	62	28	90	0.7%	214	2.5%	304	1.4%
Unaccompanied Youth 18-24	335	308	643	5.1%	1,188	13.8%	1,831	8.7%
Parenting Youth	94	146	240	1.9%	16	0.2%	256	1.2%
Parenting Youth Under 18	1	6	7	0.1%	0	0.0%	7	0.0%
Parenting Youth 18-24	93	140	233	1.9%	16	0.2%	249	1.2%
Children of Parenting Youth	156	200	356	2.8%	18	0.2%	374	1.8%
Total Homeless Persons	7,448	5,073	12,521	100.0%	8,591	100.0%	21,112	100.0%

¹This category includes single adults, adult couples with no children, and groups of adults.

²This category includes households with one adult and at least one child under age 18.

³This category includes persons under age 18, including children in one -child households, adolescent parents and their children, adolescent siblings, or other household configurations composed only of children.

Balance of State - CoC 501

HUD 2017 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations

Summary by Household Type	Emergency Shelter	Transitional Housing	Total	% of Total Sheltered	% of Total Unsheltered		Total	% of Total
					Unsheltered	Unsheltered		
Households without children ¹	1,018	438	1,456	74.6%	1,232	93.5%	2,688	82.2%
Households with at least one adult and one child ²	185	281	466	23.9%	81	6.2%	547	16.7%
Households with only children ³	29	1	30	1.5%	4	0.3%	34	1.0%
Total Homeless Households	1,232	720	1,952	100.0%	1,317	100.0%	3,269	100.0%
Household Size	1.37	1.91			1.22		1.43	

Summary of Persons in each Household Type	Emergency Shelter	Transitional Housing	Total	% of Total Sheltered	% of Total Unsheltered		Total	% of Total
					Unsheltered	Unsheltered		
Persons in households without children¹	1,039	450	1,489	48.6%	1,350	83.9%	2,839	60.8%
Persons Age 18 to 24	86	82	168	5.5%	142	8.8%	310	6.6%
Persons Over Age 24	953	368	1,321	43.2%	1,208	75.0%	2,529	54.1%
Persons in households with at least one adult and one child²	616	926	1,542	50.4%	254	15.8%	1,796	38.5%
Children Under Age 18	380	567	947	30.9%	134	8.3%	1,081	23.1%
Persons Age 18 to 24	32	77	109	3.6%	23	1.4%	132	2.8%
Persons Over Age 24	204	282	486	15.9%	97	6.0%	583	12.5%
Persons in households with only children³	29	1	30	1.0%	6	0.4%	36	0.8%
Total Homeless Persons	1,684	1,377	3,061	100.0%	1,610	100.0%	4,671	100.0%

Summary of Chronically Homeless Persons in each Household Type	Emergency Shelter	Transitional Housing	Total	% of Total Sheltered	% of Total Unsheltered		Total	% of Total
					Unsheltered	Unsheltered		
Chronically Homeless persons without children ¹	201	0	201	75.3%	633	89.8%	834	85.8%
Chronically Homeless persons with at least one adult and one child ²	66	0	66	24.7%	72	10.2%	138	14.2%
Chronically Homeless persons with only children ³	0	0	0	0.0%	0	0.0%	0	0.0%
Total Chronically Homeless Persons	267	0	267	100.0%	705	100.0%	972	100.0%
% of Total Homeless	15.9%	0.0%	8.7%		43.8%		20.8%	

Summary of all other Subpopulations Reported	Emergency Shelter	Transitional Housing	Total	% of Total Sheltered	% of Total Unsheltered		Total	% of Total
					Unsheltered	Unsheltered		
Severely Mentally Ill	264	222	486	15.9%	601	37.3%	1,087	23.3%
Chronic Substance Abuse	153	179	332	10.8%	275	17.1%	607	13.0%
Veterans	99	122	221	7.2%	162	10.1%	383	8.2%
HIV/AIDS	4	1	5	0.2%	8	0.5%	13	0.3%
Victims of Domestic Violence	288	211	499	16.3%	369	22.9%	868	18.6%
Unaccompanied Youth	114	77	191	6.2%	123	7.6%	314	6.7%
Unaccompanied Youth Under 18	29	1	30	1.0%	6	0.4%	36	0.8%
Unaccompanied Youth 18-24	85	76	161	5.3%	117	7.3%	278	6.0%
Parenting Youth	19	41	60	2.0%	9	0.6%	69	1.5%
Parenting Youth Under 18	0	0	0	0.0%	0	0.0%	0	0.0%
Parenting Youth 18-24	19	41	60	2.0%	9	0.6%	69	1.5%
Children of Parenting Youth	30	53	83	2.7%	9	0.6%	92	2.0%
Total Homeless Persons	1,684	1,377	3,061	100.0%	1,610	100.0%	4,671	100.0%

¹This category includes single adults, adult couples with no children, and groups of adults.

²This category includes households with one adult and at least one child under age 18.

³This category includes persons under age 18, including children in one - child households, adolescent parents and their children, adolescent siblings, or other household configurations composed only of children.

Within these regional CoCs, King County is the largest individual county region by population and overall number of homeless persons. King County also has the highest rate of homelessness at 5.4 per 1,000 persons of total population and 50.5 per 1,000 persons below the poverty line. The Balance of State region is largely represented by rural counties, had a homelessness rate of 2.0 per 1,000 persons and 13.8 per 1,000 persons below the poverty line – within the range of the remaining individual county CoC regions.

	2017 Homeless Persons	2016 Homeless Persons	2007 Homeless Persons	2016-17 % Change	2017-07 % Change
Washington State	21,112	20,827	23,379	1.4%	-9.7%
King County - CoC 500	11,643	10,730	7,902	8.5%	47.3%
Balance of State - CoC 501	4,671	5,294	6,995	-11.8%	-33.2%
Spokane County - CoC 502	1,090	981	1,357	11.1%	-19.7%
Pierce County - CoC 503	1,321	1,762	1,596	-25.0%	-17.2%
Snohomish County - CoC 504	1,066	960	3,453	11.0%	-69.1%
Yakima County - CoC 507	572	412	684	38.8%	-16.4%
Clark County - CoC 508	749	688	1,392	8.9%	-46.2%

	2017 Homeless Persons	Total Population 2017	2017 Homeless Rate Per 1,000 Persons	% Below Poverty	Persons in Poverty 2017	2017 Homeless Rate Per 1,000 Persons in Poverty
Washington State	21,112	7,310,300	2.9	12.7%	928,408	22.7
King County - CoC 500	11,643	2,153,700	5.4	10.7%	230,446	50.5
Balance of State - CoC 501	4,671	2,284,000	2.0	14.8%	337,528	13.8
Spokane County - CoC 502	1,090	499,800	2.2	15.6%	77,969	14.0
Pierce County - CoC 503	1,321	859,400	1.5	12.7%	109,144	12.1
Snohomish County - CoC 504	1,066	789,400	1.4	9.3%	73,414	14.5
Yakima County - CoC 507	572	253,000	2.3	20.5%	51,865	11.0
Clark County - CoC 508	749	471,000	1.6	10.2%	48,042	15.6

Enumerating the homeless population in rural areas is extremely difficult. One issue is lack of awareness; with expansive geography and low population density. Consequently, the unstably housed and unsheltered are less visible than urban locations. Urban counts are most often based on the number of homeless service users in an area. Because there are typically less services in rural areas, the point in time count understates the homeless population. Patterns of rural homelessness include a desire to remain in their local community or few options to leave. Housing options include a limited number of shelters; doubling up with family or friends, severely substandard structures that would likely be condemned in urban areas; outdoor locations; vehicles and abandoned buildings. For those doubling up, it is a common cultural norm based upon the belief of taking care of one's own.⁸

⁸ National Health Care for the Homeless Council. (June 2013). "Rural Homelessness: Identifying and Understanding the 'Hidden Homeless.'" In Focus: A Quarterly Research Review of the National HCH Council, 1:4. [Author: Sarah Knopf-Amelung, Research Assistant.] Nashville, TN: Available at: www.nhchc.org.

**Benton/Franklin
County Trends**

The Washington State Department of Commerce is the entity that administers state the Balance of State region and federal fund sources that support homeless programs and manages the state's Homeless Management Information System (HMIS) to collect data and measure performance.

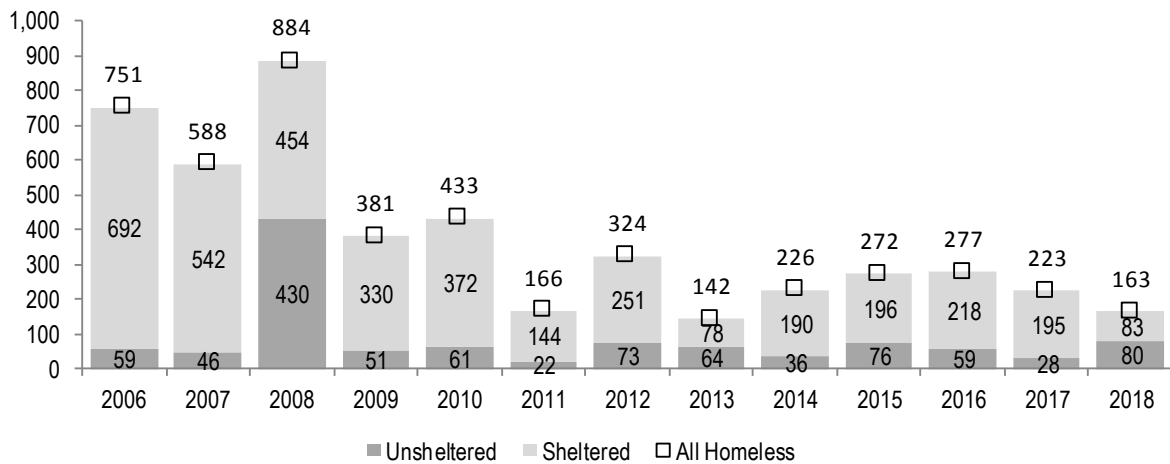
There are essentially four recognized sources in Washington State to count the number of homeless individuals and families each year at a county level basis. According to the Department of Commerce, because of the complexity of homelessness and funding requirements, no one method is more accurate or comprehensive than another. The different counts are meant to provide the most information possible about the numbers of people experiencing homelessness and housing instability. The four sources are:

- 1) Point in Time Count (PIT) of people homeless on a single day in January each year
- 2) "Snapshot" of Homelessness in Washington State supplementing the PIT Count
- 3) Count of people served by, entered into, and/or exited from a housing assistance program over the course of a year according to the homeless management information system (HMIS)
- 4) Count of homeless students each school year

**POINT IN TIME
COUNT**

In Benton/Franklin Counties, there were 163 homeless persons counted in January 2018. Over the past five years, overall homelessness increased 15%; those sheltered increased by 6% and the unsheltered increased by 25%. The chronic homeless make up 26% of the total homeless population in 2018 averaging 15% over the previous five years.

PIT Estimates of Homeless People - Benton/Franklin Counties



Point in Time Count of Homeless Persons (Tri-Cities, Benton/Franklin Counties)

Year	Sheltered				Unsheltered				Total Homeless (sheltered and unsheltered)				Temporarily Living with Family or Friends	Chronically Homeless		
	HH w/out minors	HH with minors	HH with only minors	Total Sheltered	HH w/out minors	HH with minors	HH with only minors	Total Unsheltered	HH w/out minors	HH with minors	HH with only minors	Total		Emerg. Shelter + Safe Haven	Unsheltered	Chronic
2006	297	395	na	692	36	23	na	59	333	418	na	751	461	42	13	55
2007	233	309	na	542	28	18	na	46	261	327	na	588	192	85		85
2008	116	338	na	454	209	221	na	430	325	559	na	884	125	136	246	382
2009	116	214	na	330	32	19	na	51	148	233	na	381	219	24	4	28
2010	140	228	4	372	43	17	1	61	183	245	5	433	183	17	10	27
2011	65	79	-	144	17	5	-	22	82	84	0	166	287	25	3	28
2012	149	99	3	251	57	15	1	73	206	114	4	324	567	37	20	57
2013	58	20	0	78	50	14	0	64	108	34	0	142	387	9	23	32
2014	119	71	0	190	32	4	0	36	151	75	0	226	na	19	14	33
2015	133	63	0	196	55	21	0	76	188	84	0	272	na	21	19	40
2016	153	65	0	218	57	2	0	59	210	67	0	277	na	6	0	6
2017	115	70	10	195	28	0	0	28	143	70	10	223	na	25	17	42
2018	26	50	7	83	68	12	0	80	94	62	7	163	na	7	36	43

Source: Annual Point in Time Count; every January

The PIT count is a “snapshot” of the population experiencing homelessness at a given day in January. The following are challenges and limitations of the street count:

- Many homeless do not want to be located, which hampers detection during the street count – especially families, undocumented individuals and unaccompanied youth and young adults.
- Unsheltered homeless may be sleeping in vehicles and abandoned structures that are difficult to identify.
- Inherent biases in visual observation of those whose physical appearance can be mistaken for non-homeless that hide in plain sight and appear stably housed.

- May not be representative of fluctuations and compositional changes in the population either seasonally or over time.
- Recruitment of an adequate number of guides and volunteers to complete a comprehensive count can be difficult in suburban and rural areas with large geographies with limited resources
- It does not count the number of unique persons experiencing homelessness over a calendar year, which is higher than a single point in time. It undercounts those whose homelessness does not last very long but need services and emergency shelter.

Overall, the count is considered conservative and considered a measure of the minimum number of unsheltered individuals experiencing homelessness. The annual total could easily be greater than two to three times or more than the PIT count.

**SUPPLEMENTAL
HOMELESS
PROFILE (KING CO.)**

All Home is the lead agency in Seattle/King County that conducts and reports the findings of the Point-In-Time count. In addition to the general street and shelter count, they conduct an in person representative survey of homeless individuals immediately following the general street count to supplement the PIT figures. While an urban area, the following are some general findings from the 2018 Survey.

General Findings

- Approximately 70% of all surveyed reported living with at least one health condition (psychiatric, PTSD or addiction were the most common)
- 98% of those surveyed said they would move into safe and affordable housing if it were offered
- 53% of the unsheltered population were living in vehicles
- 36% reported living with friends/relatives prior to experiencing homelessness

Chronic Homelessness Findings

- 97% of the chronic homeless total were persons without children
- 71% surveyed were male
- 85% surveyed were over age 25
- 27% surveyed were age 51 and older
- 71% of chronic homelessness were unsheltered vs sheltered
- 63% reported living with psychiatric or emotional conditions
- 63% reported living with drug or alcohol abuse

- 57% reported living with post-traumatic stress disorder
- 24% not accessing community-based services
- Of those accessing services, 20% reported not following through or returning for services
- 62% reported having been to jail or juvenile detention
- 18% reported a history of foster care

SNAPSHOT OF HOMELESSNESS REPORT

The Snapshot of Homelessness is a supplemental report to the Point In Time count for the month of January published by the Department of Commerce. The information is based on data collected by case managers in homeless provider agencies, case workers at social service offices, and field representatives to several client level databases throughout the state. Research Staff at the Department of Social and Health Services combine multiple datasets into a supplemental count of homeless people. The snapshot includes “Homeless Only” that refers to unsheltered and those living in emergency shelters and “Homeless or Unstably Housed” that also includes those doubled up with friends or family.

SNAPSHOT of Homelessness in Benton/Franklin Counties

Homeless or Unstably Housed, New and Continuing Persons

Number of Children Ages 1, Two and Three Living in the Home								
January	TOTAL	Child Only	Parenting		Adults (25+)	Single	Two Parents	Unknown
			Teens	Youth (18-24)	w/o Children	Parent with Children	with Children	
2017	3,454	*	*	553	1,720	840	330	-
2016	3,671	*	-	630	1,735	909	391	*
2015	3,924	*	*	742	1,789	905	481	-
2014	3,690	*	-	723	1,604	904	453	*

Homeless Only (Emergency Shelter or Unsheltered), New and Continuing Persons

January	TOTAL	Child Only	Parenting		Adults (25+)	Single	Two Parents		Unknown
			Teens	Youth (18-24) w/o Children	w/o Children	Parent with Children	with Children		
2017	845	-	*	127	523	165	28	-	
2016	961	*	-	173	552	149	86	-	
2015	927	-	-	199	521	134	73	-	
2014	903	*	-	199	497	121	85	-	

* represents suppressed due to fewer than 10 responses

Unstably Housed Only, New and Continuing Persons

January	Total	Child Only	Parenting	Youth (18-24)	Adults (25+)	Single	Two Parents	Unknown
			Teens	w/o Children	w/o Children	Parent with Children	with Children	
2017	2,609	*	*	426	1,197	675	302	-
2016	2,710	*	-	457	1,183	760	305	*
2015	2,997	*	*	543	1,268	771	408	-
2014	2,787	*	-	524	1,107	783	368	*

* represents suppressed due to fewer than 10 responses

In Benton/Franklin Counties, there were 3,454 “Homeless or Unstably Housed” persons for the month of January in 2017 (note 2018 is not available). Of these, 845 homeless persons were counted as “literally” homeless or about 24% of the total. This ratio has been fairly consistent over the past four years at 25%. Adults without children (the most common chronically homeless subpopulation) reflected 523 persons or

about 62% of the total homeless counted. This ratio has also been fairly consistent over the past four years.

HMIS Calendar Year Counts

The Homeless Management Information System (HMIS) is an electronic record system that records continuous case management of homeless persons. The Department of Commerce is responsible for operating an HMIS for counties that do not operate their own compliant system such as Benton and Franklin Counties. Pierce, Clark, King, Snohomish and Spokane Counties operate their own systems. All homeless service providers receiving public funding are required to enter personal identifiers and other information about those served each day by their programs.

Annual People Served - Year to Year Comparison

County		FY 2015-16	FY 2016-17	FY 2017-18	3-Year Avg
Benton/Franklin	Total Annual Project Entries*	1,780	2,949	2,087	2,272
	Median Length of Time Homeless (Days)	29	39	55	41
	Exits to Permanent Housing**	1,032	1,711	1,314	1,352
	Exits to Permanent Housing (%)	58%	58%	63%	60%
	Returns to Homelessness***	178	324	104	202
	Returns to Homelessness (%)	10%	11%	5%	9%
	Unsheltered Entries****	498	1,110	924	844
	Unsheltered Entries (%)	28%	38%	44%	37%
	Point in Time Count	272	277	223	257

Source: Washington State Homeless System Performance (Year to Year) - Department of Commerce

* Count of people who entered the following project types (HP, RRH, ES, TH & other Permanent Housing). This is a count of enrollments and there will be duplication if the person was served more than once in the same project or multiple projects.

** % of people who exited ES, SH, TH & RRH to permanent housing destinations

*** % of people who exited homelessness 2 years prior to reporting period

**** % unsheltered within 2 years prior to project entry

As shown, an average annual 2,272 people entered the homeless HMIS system seeking housing assistance over the prior three years where the average person was homeless for 41 days. Of those entering the system, an average 9% of entries had previously exited homelessness within two years prior to the reporting period; an average 37% of entries were unsheltered within two years prior to the reporting period and roughly 60% exited to permanent housing in any given year.

Housing assistance programs include the following:

- Homeless Prevention (HP): short-term rent assistance to prevent evictions from rental units
- Rapid Rehousing (RRH): short-term rent assistance (usually less than six months) to move homeless people into housing, typically in a private, for-profit rental

- Emergency Shelter (ES): typically, up to 90 days of emergency housing, in a shared space filled with bunk beds
- Transitional Housing (TH): up to two years of housing and services, typically in a dedicated building
- Permanent Housing including Permanent Supportive Housing (PSF): deep, long-term rental subsidies and/or permanent housing in a dedicated building for chronically homeless people with severe and persistent disabilities

People Enrolled by Project Type (FY 2017-18)

Intervention	Total People Served	
	Benton/Franklin Fiscal Year 2017-18	% of Total
Homeless Prevention (HP)	743	36%
Rapid Rehousing (RRH)	941	45%
Emergency Shelter (ES)	262	13%
Transitional Housing (TH)	80	4%
Permanent Housing (All Types)	61	3%
Total	2,085	100%

Source: Washington State Homeless System Performance
(County Report Card) - Department of Commerce

For the current fiscal year (July 2017 through June 2018), the primary housing interventions provided (81%) were Homeless Prevention (36%) and Rapid Rehousing (45%). Only 3% were served by Permanent Housing.

Household's Living Situation Before Entry (FY 2017-18) - ALL HOUSEHOLDS

	Homeless Prevention (HP)	% of Total	Rapid Rehousing (RRH)	% of Total	Emergency Shelter (ES)	% of Total	Transitional Housing (TH)	% of Total	Combined Total	% of Total
Hotel/Motel	11	3%	-	-	-	-	-	-	11	1%
Institutional Situation	4	1%	72	17%	5	3%	2	11%	83	8%
Permanent Housing	288	73%	95	22%	36	25%	5	26%	424	43%
Family & Friends	77	20%	-	-	-	-	-	-	77	8%
Sheltered Homeless	5	1%	117	28%	6	4%	6	32%	134	14%
Unsheltered Homeless	8	2%	135	32%	99	68%	6	32%	248	25%
Unknown	1	0%	4	1%	-	-	-	-	5	1%
Total	394	100%	423	100%	146	100%	19	100%	982	100%

Source: Rapid Re-housing Dashboard, Homeless Prevention Dashboard, Temporary Housing Dashboard - Department of Commerce

The HMIS data includes information on homeless household's living situation prior to entry. Those requiring Homeless Prevention largely resided in Permanent Housing (73%); those in Rapid Rehousing and Transitional Housing were roughly split between Permanent Housing (22% to 26%), Sheltered Homeless (28% to 32%), Unsheltered Homeless and Institutional Situations (11% to 17%) with the bulk of Emergency Shelter users previously Unsheltered Homeless (68%). The combined homeless household population (All Households Sheltered and Unsheltered) prior to

entry into HMIS for the current fiscal year was 382 according to these figures.

Household's Living Situation Before Entry (FY 2017-18) - HOUSEHOLDS WITHOUT MINORS

	Homeless Prevention (HP)	% of Total	Rapid Rehousing (RRH)	% of Total	Emergency Shelter (ES)	% of Total	Transitional Housing (TH)	% of Total	Combined Total	% of Total
Hotel/Motel	6	2%	-	-	-	-	-	-	6	1%
Institutional Situation	3	1%	70	17%	-	-	2	11%	75	8%
Permanent Housing	131	33%	42	10%	1	1%	4	21%	178	18%
Family & Friends	52	13%	-	-	-	-	-	-	52	5%
Sheltered Homeless	3	1%	90	21%	-	-	5	26%	98	10%
Unsheltered Homeless	5	1%	54	13%	40	27%	4	21%	103	10%
Unknown	1	0%	4	1%	-	-	-	-	5	1%
Total	201	51%	260	61%	41	28%	15	79%	517	53%

Source: Rapid Re-housing Dashboard, Homeless Prevention Dashboard, Temporary Housing Dashboard - Department of Commerce

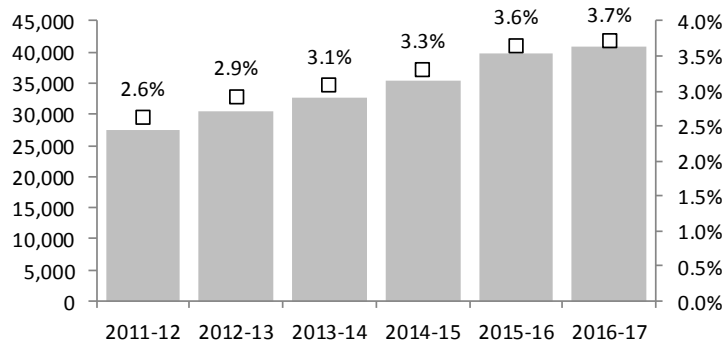
Filtered to Households without Minors, the combined homeless household population (sheltered and unsheltered) prior to entry into HMIS for the prior year was 201 according to these figures.

**Homeless
Students**

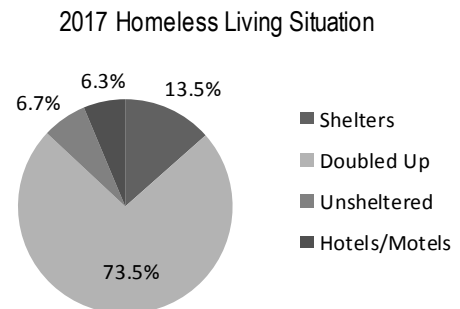
According to the Office of Superintendent of Public Instruction, the number of homeless youth has increased every year since the 2001 reauthorization of the McKinney-Vento Act, which requires all school districts to report annually the number of homeless students enrolled in schools. During the 2016/17 school year, 40,934 students were identified as homeless, which amounted to 3.7% of students statewide.

Homeless Students - Washington State

School Year	Total Enrollment Pre Sch thru 12th	Homeless Students	% Homeless Students	Homelessness by Living Situation			
				Shelters	Doubled Up	Unsheltered	Hotels/Motels
2011-12	1,044,613	27,390	2.6%	6,524	18,332	1,205	1,329
2012-13	1,050,900	30,609	2.9%	6,527	21,153	1,254	1,675
2013-14	1,056,809	32,539	3.1%	5,608	23,409	1,613	1,909
2014-15	1,074,057	35,511	3.3%	5,805	25,911	1,601	2,194
2015-16	1,088,959	39,671	3.6%	6,174	28,942	2,134	2,421
2016-17	1,103,269	40,934	3.7%	5,510	30,090	2,753	2,581



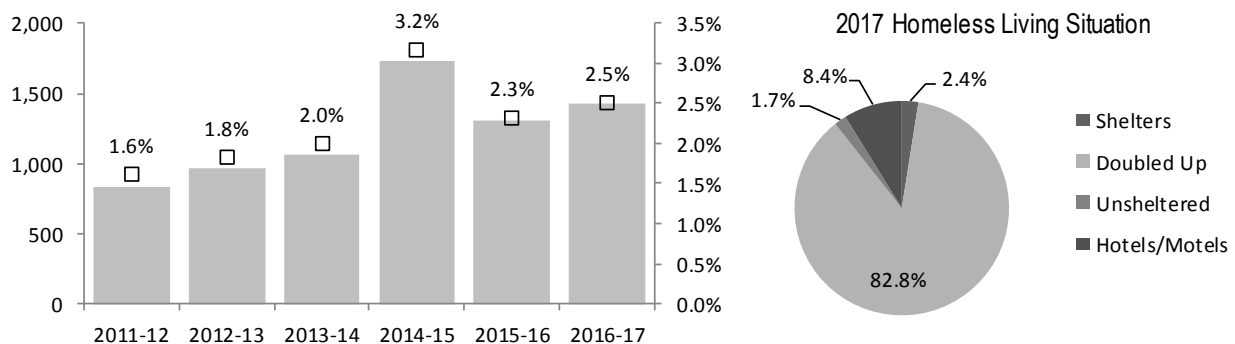
Source: Office of Superintendent of Public Instruction



As shown in the previous chart, the largest proportion of those students identified as homeless statewide had a living situation reported as “doubled-up” (73.5%) followed by shelters (13.5%), unsheltered (6.7%) and hotels/motels (6.3%). Since 2012, the “doubled-up” population has grown from 66.9% to 73.5% of homeless students.

Homeless Students - Benton/Franklin Counties

School Year	Total Enrollment Pre Sch thru 12th	Homeless Students	% Homeless Students	Homelessness by Living Situation			
				Shelters	Doubled Up	Unsheltered	Hotels/Motels
2011-12	51,541	833	1.6%	110	612	29	82
2012-13	52,531	961	1.8%	85	717	41	118
2013-14	53,290	1,068	2.0%	93	873	17	85
2014-15	54,531	1,728	3.2%	87	1,433	38	113
2015-16	56,072	1,301	2.3%	83	1,092	31	69
2016-17	57,127	1,431	2.5%	34	1,185	25	120



Source: Office of Superintendent of Public Instruction

In the Tri-Cities region, the largest proportion of those students identified as homeless had a living situation reported as “doubled-up” (1,185 students, 82.8% of enrollment) followed by 120 in hotels/motels (8.4%), 34 in shelters (2.4%) and 25 classified as unsheltered (1.7%). Since 2012, the “doubled-up” population has grown from 73.5% to 82.8% of homeless students. There were 1,431 students identified as homeless over the 2016-17 schoolyear. If each of these students has at least one parent/guardian, would infer a homeless family population of more than 2,800 based on the expanded homeless definition that includes those living doubled-up or in hotels/motels.

Benton-Franklin Counties
Total Population by Relationship
ACS 5-year Estimates

	2017	2016	2015
Total:	279,653	275,329	271,373
In households:	275,712	271,231	267,248
In family households:	240,200	237,190	234,229
Householder:	68,401	66,629	65,837
Male	35,362	35,434	35,654
Female	33,039	31,195	30,183
Spouse	51,511	50,479	49,223
Child:	96,237	96,056	94,717
Biological child	90,531	90,072	88,775
Adopted child	1,762	1,623	1,706
Stepchild	3,944	4,361	4,236
Grandchild	5,468	5,486	5,209
Brother or sister	3,004	2,964	3,194
Parent	2,921	3,100	3,173
Parent-in-law	597	668	603
Son-in-law or daughter-in-law	1,118	1,475	1,326
Other relatives	3,747	3,478	3,948
Nonrelatives:	7,196	6,855	6,999
Roomer or boarder	528	393	497
Housemate or roommate	1,606	1,388	1,355
Unmarried partner	3,699	3,603	3,941
Foster child	113	147	172
Other nonrelatives	1,250	1,324	1,034
In nonfamily households:	35,512	34,041	33,019
Householder:	27,797	26,946	26,318
Male:	13,740	13,270	13,220
Living alone	10,563	10,433	10,519
Not living alone	3,177	2,837	2,701
Female:	14,057	13,676	13,098
Living alone	12,070	12,013	11,437
Not living alone	1,987	1,663	1,661
Nonrelatives:	7,715	7,095	6,701
Roomer or boarder	677	728	594
Housemate or roommate	3,273	3,265	2,913
Unmarried partner	2,874	2,457	2,576
Foster child	16	18	11
Other nonrelatives	875	627	607
In group quarters	3,941	4,098	4,125
Total Other nonrelatives (couch homeless)	2,125	1,951	1,641
3-Year Average	1,906		

**Supplemental
Estimate of “Couch
Homeless”**

There are no official estimates of the “couch homeless” -- the homeless who stay with family or friends. Dr. Alan Hoback of the University of Detroit Mercy has developed a proposed method for estimating the precariously housed⁹. US Census figures count all household residents, and the number of couch homeless with friends can be rationalized from the data because the Census asks about the family or monetary relationship between household members. The Census distinguishes between family households and nonfamily households and within each distinguishes “nonrelatives”, into roomer or boarder, housemate or roommate, unmarried partner, foster child and other nonrelatives.

Hoback argues the category “other nonrelatives” is where the couch homeless residing with friends are counted. If a resident had been paying for part of the rent, then they would have been counted as a roommate or boarder. All relatives, roommates, partners, and foster children have been counted separately. This fits the definition of couch homeless because when staying with friends, but not being a partner or paying rent, the agreement to stay is not fixed to a contract, but only out of charity. Being not fixed, qualifies them to be counted as couch homeless according to the McKinney-Vento Act.

The previous table summarizes population by relationship for the Tri-Cities region over the past three years. The estimated number of couch-homeless staying with friends in the Tri-Cities region has averaged about 1,900 persons over the past three years based on this methodology. Unfortunately, there is no similar way to show from Census data that any of the related family members in a household were couch-homeless. From other research surveys, such as the 2017 AHAR (part 2) summary profile of homeless subpopulations presented earlier, an equal or greater ratio of homeless surveyed reported staying with family than friends before entering shelter. Therefore, the total “couch-homeless” population is likely double that shown, likely in the 3,800-person range regionwide.

Local Input

More than a dozen stakeholders and service providers were surveyed to provide local insight into the homeless population in the Tri-Cities area. These included homeless service providers, shelters, city and county departments such as police, fire and human services, as well as various health care providers. Below are some summary responses/insight provided.

⁹ Hoback, Dr. Alan, et al, Proposed Method for Estimating Local Population of Precariously Housed, Available at: <http://www.nationalhomeless.org/publications/precariouslyhoused/Hobackreport.pdf>

Tri-Cities Union Gospel Mission (Andrew Porter, Executive Director)

- Shelter Beds Provided: 162 beds in new men's shelter opening in December including 112 rescue beds (90 day max) and 50 beds (up to two years) for addiction/recovery with case management. 32 beds for women and children
- Through December 3rd, 663 unique individuals sought shelter (520 men and 143 women). This would infer 60 new individuals per month on average or over 700 new individuals annually. Over 33,000 nights of shelter provided over the year – many nights at maximum capacity or greater.
- There is a shortage of affordable rentals in the market. There is a shortage of low barrier options – UGM does not allow drugs or alcohol. A permanent supportive housing (PSH) under a Housing First model would fill a gap not currently existing in the area
- Overall homeless population estimated at over 1,000. Chronic homeless population meeting the HUD definition difficult to gauge, but felt a 50-unit PSH project would be well received

Pasco Fire Department (Michele Crowley, EMS Captain/Paramedic)

- The homeless population represents approximately 2% of the total patient contact calls for service annually. There were 76 homeless calls in 2018. Over the past five years, annual homeless calls have ranged from 64 to 76 per year (note that one patient can generate multiple calls)
- High volume users of the system (repeat patients) are recommended to the Consistent Care Program.
- System users that continue to have contacts with Pasco Police and/or Fire and/or the court systems are monitored through the "Hot Spotters" program.
- 87% of the homeless population contacted were transported to area hospitals
- Current data points to an increasing trend in calls from the low point in 2016. Since 2016, they are seeing an increase in the female homeless population.

Pasco Police Department (Brad Gregory, Sergeant)

- Unscientific survey – there are about 30 chronically homeless people we run into consistently. We have also been running into people that are “couch surfing” with no real place to live so that number could be much higher

Consistent Care (Becky Grohs, Chief Operations Officer)

- Of the 800 patients served overall, there are approximately 15 chronically homeless individuals receiving case management that are in and out of jail. There are approximately 25 to 35 chronically homeless clients served with a major mental illness.
- There are homeless individuals that refuse shelter services such as the Union Gospel Mission, which is a clean and sober facility. These individuals live outside including vehicles, bus stations and encampments.
- There is strong need for permanent supportive housing with wrap around services, especially low barrier housing for the chronically homeless.

Lourdes Counseling Center (Chris Hoag, PATH Case Manager)

- PATH is a federal program – it stands for Projects Assisting with Transition from Homelessness.
- Chris reaches out to individuals who lack stable housing and have a mental illness and assists in accessing and applying for benefits from various service providers.
- Clients are tracked in HMIS (Homeless Management Information System).
- Greatest need in the area is affordable housing. Homeless individuals who are homeless and lack income compete with higher income individuals for the same housing.
- Even with financial assistance, individuals sometimes are unable to find housing that is affordable with amount of assistance received.

Greater Columbia Behavioral Health (Sindi Saunders, Quality Manager)

- Approximately 12% of our chronically mentally ill population have homeless listed as their address. Number could be higher as many of our mentally ill population do not update their address or report when they are homeless

Conclusion & Findings

Conclusion & Findings

Summary of Key Findings

The following are demand indicators previously described beginning with the unstably housed narrowing to the chronically homeless population as described in the analysis presented in this report.

- In the Tri-Cities region (Franklin and Benton Counties) there are approximately 40,000 individuals (13,600 households) that fall below 100% of the poverty line. At 50% of the poverty line (individuals earning less than \$6,400 annually or roughly \$10,000 for the typical household), there are approximately 16,000 individuals (5,500 households).
- Households earning below 50% of the poverty line are much more likely to be precariously/unstably housed. These people are on the edge of becoming literally homeless and may be doubled up with friends or family or paying an extremely high proportion of their income (more than 50%) for shelter.
- The current regional vacancy rate is 1.1% with an average monthly rent of \$830 or more, which can exceed the total annual income of the typical household at 50% of the poverty line. Even with financial assistance, these households are unable to find housing that is affordable and compete with higher income households for the same housing.
- 6,350 households are severely cost burdened (housing costs are more than 50% of household income) for those households earning less than 30% of area median income. There is significant need for affordable housing for extremely low-income households.
- According to Census Data, the estimated number of “couch-homeless” staying with friends has averaged 1,900 persons over the past three years. Based on profiles from other research studies, an equal or greater number reported staying with family than friends before entering a shelter facility. The total “couch-homeless” is likely double that shown.
- In the Tri-Cities region, there were 1,431 homeless students for the 2017 academic year. An estimated 83% reported a living situation as “doubled-up” followed by hotel/motel, shelters and

unsheltered. If each student had at least one parent/guardian – would infer a homeless family population of more than 2,800.

- Over the past three years, more than 2,200 people annually entered the HMIS (Homeless Management Information System) seeking housing assistance where the average person was homeless for 41 days. It is noted that these enrollments include some duplication if the person was served more than once in the same project or multiple projects.
- According the Snapshot of Homelessness, a supplemental report to the annual Point in Time (PIT) count, there were 845 literally homeless persons for the month of January in 2017 (2018 figures not yet available). Over the prior four years, this figure has averaged about 900 individuals.
- According to the 2018 annual PIT count, there were 163 homeless persons counted (80 unsheltered) on a single night in January. Over the past five years, the total homeless counted has averaged 217 persons with overall homelessness increasing 15% (6% increase in sheltered and 25% for those unsheltered).
- Of those counted during the 2018 PIT count, 26% (43 individuals) were classified as “chronically” homeless. This population has averaged about 15% of the overall homeless population (33 individuals) over the past five years and has been increasing over the past three years.
- According to figures provided by the Tri-Cities Union Gospel Mission, the largest homeless shelter in the region, more than 700 new unique individuals sought shelter in 2018.

**CHALLENGES/
LIMITATIONS**

The most conservative homeless demand estimate is the PIT count, which is a “snapshot” of the population experiencing homelessness on a given day in January. The following are challenges and limitations of the street count:

- Many homeless do not want to be located, which hampers detection during the street count – especially families, undocumented individuals and unaccompanied youth and young adults.
- Unsheltered homeless may be sleeping in vehicles and abandoned structures that are difficult to identify.

- Inherent biases in visual observation of those whose physical appearance can be mistaken for non-homeless that hide in plain sight and appear stably housed.
- May not be representative of fluctuations and compositional changes in the population either seasonally or over time.
- Recruitment of an adequate number of guides and volunteers to complete a comprehensive count can be difficult in suburban and rural areas with large geographies with limited resources
- It does not count the number of unique persons experiencing homelessness over a calendar year, which is higher than a single point in time. It undercounts those whose homelessness does not last very long but need services and emergency shelter.

Overall, the count is considered conservative and a measure of the minimum number of unsheltered individuals experiencing homelessness. The annual total could easily be greater than two to three times or more than the PIT count.

Conclusion

Based on the HMIS data supplemented with Union Gospel mission counts, there are typically 700 or more literally homeless individuals in a given year. The conservative PIT count and anecdotal support from local service providers suggest a chronically homeless population of at least 30 individuals in a given year.

The prototype project envisioned is a 50-unit permanent supportive housing project intended to serve homeless households with a preference/priority for the chronically homeless in the greater Tri-Cities area. A project of this type would require financial support from the Low-Income Housing Tax Credit Program (LIHTC) and rental assistance through HUD or other similar sources.

Assuming a 50-unit prototype project described in this report as a baseline for development, it is my opinion that baseline homeless demand (meeting the HUD definition) with a preference/priority for the chronically homeless is deep enough to support development.

ADDENDUM

Regional Overview

Regional Data

Introduction

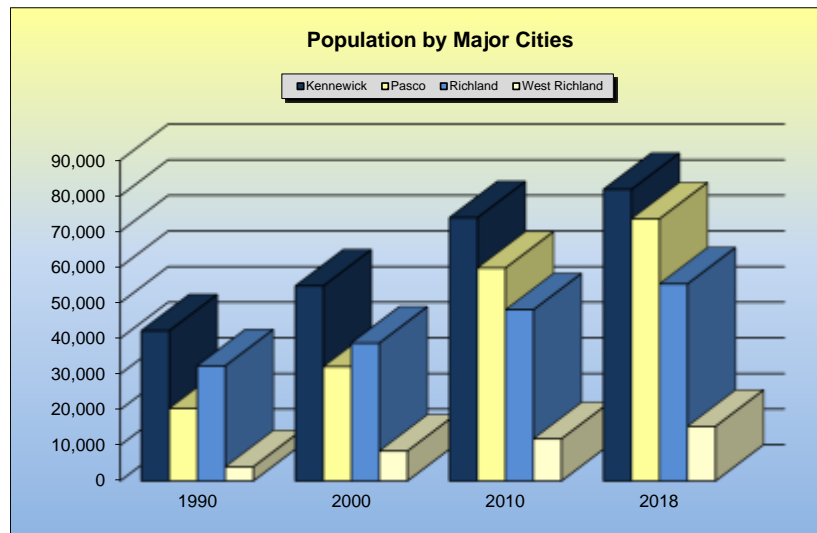
The Tri-Cities area is located in the southeastern portion of Washington State at the confluence of the Columbia, Snake, and Yakima Rivers. The area's name stems from the close proximity of the area's three major cities, Kennewick and Richland, located in Benton County, and Pasco, located in Franklin County. The Tri-Cities are 130 miles southwest of Spokane, 230 miles southeast of Seattle, and 220 miles east of Portland, Oregon. The counties are separated by the Columbia River, the lifeblood of the region. Agricultural irrigation, hydroelectric power - from Bonneville Power Administration dams and power plants - and the Hanford Nuclear plants are all dependent on the Columbia River.

Transportation

The Tri-Cities area is served by several major highways. Interstate Hwy. 82 is the major east-west arterial through southeastern Washington. US Hwy. 395 provides access north to Spokane and south to I-84 and the communities of northeastern Oregon. State Route 240 links the Tri-Cities with the Hanford nuclear reservation. Other modes of transportation include barge service on the Columbia River, commercial air service at the Pasco Municipal Airport, rail service, and buses. Airlines currently serving the Tri-Cities Airport include Alaska Airlines, Allegiant, Delta Airlines, and United Express.

Population

According to the April 2018 estimate prepared by the *Washington State Office of Financial Management*, Benton and Franklin Counties contain a combined estimated population of 289,960, which is 3.9% of the population of the entire State of Washington (7,427,570). The following chart summarizes the population growth of the major cities, Kennewick, Pasco, Richland and West Richland.



Population is viewed as an economic indicator of an area's vitality as people tend to migrate to an area that has economic opportunities. Population is a lagging indicator in that it takes time for people to arrive when jobs are present as well as to leave when demand for labor eases. It provides insight into how the economy is performing and how the economy has performed over time. With its current population estimated at 283,830, population growth has accelerated since 1990, exceeding the growth rate of the State. Prior to this period, economic recessions plagued eastern Washington and only minimal growth occurred. Population trends for Benton and Franklin County since 1990 are detailed in the following table, juxtaposed with Washington State.

Population Trends

Population	1990	2000	2010	2018
Washington State	4,866,663	5,894,143	6,724,540	7,427,570
Benton County	112,560	142,475	175,177	197,420
Franklin County	37,473	49,347	78,163	92,540
Two-County Total	150,033	191,822	253,340	289,960
% of State Pop.	3.08%	3.25%	3.77%	3.90%

Growth	1990-00	2000-10	2010-18
Washington State	1,027,480	830,397	703,030
% Annual Change	2.11%	1.41%	1.31%
Benton County	29,915	32,702	22,243
% Annual Change	2.66%	2.30%	1.59%
Franklin County	11,874	28,816	14,377
% Annual Change	3.17%	5.84%	2.30%
Two-County Total	41,789	61,518	36,620
% Annual Change	2.79%	3.21%	1.81%

Net Migration	1990-00	2000-10	2010-18
Washington State	644,778	450,332	416,495
% of Pop. Growth	62.8%	54.2%	59.2%
Benton County	18,077	20,683	11,791
% of Pop. Growth	60.4%	63.2%	53.0%
Franklin County	4,528	17,712	4,073
% of Pop. Growth	38.1%	61.5%	28.3%
Two-County Total	22,606	38,396	15,865
% of Pop. Growth	54.1%	62.4%	43.3%

Population growth is affected by two factors: net migration (people moving into and out of the area) and natural increase/decrease (from births/deaths). One reason for the higher growth in the two-county region has been net migration, particularly in Benton County, of which 60.4% of the increase between 1990 and 2000 was due to net migration. During the first 10 years after 2000, both counties' net migration was over 60% compared to 54.2% for the State. Similar to the State, since 2010, net migration started out slowly due to the recession, but has picked up in since 2013. Currently net migration share of the population increase is 43.3%, still below the 62.4% level during the first 10 years of the decade. The State share of net migration is higher than the two counties at 59.2%, compared to 54.2% during the first 10 years of 2000.

DIRECTION OF GROWTH

In response to the 1990 Washington Growth Management Act (GMA), counties and cities are required to plan for expected future growth. The

GMA stipulates that new growth (population and jobs) should occur in existing urban areas to minimize the negative effects of urban sprawl and make efficient use of urban services. To accommodate these provisions, cities and counties designate urban growth boundaries/areas (UGBs) to contain future development. In Washington state, these UGBs are typically set for 20 years and are based on 20-year projections of population growth. These are the areas designated to accommodate future growth. Overtime, growth in the region has primarily extended west of Pasco and Richland and infill between Richland and Kennewick.

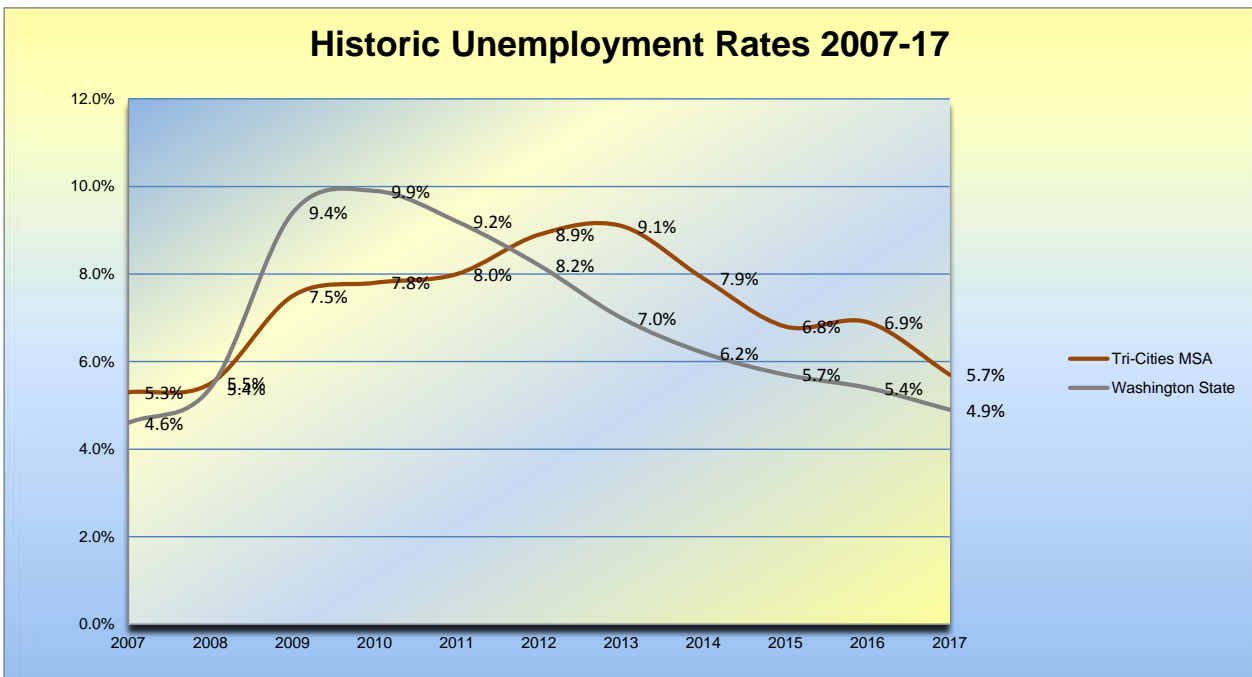
Employment

Historically, the Tri-Cities economy has been primarily dependent on business at Hanford and agricultural industries. In 1943 the town of Hanford and the surrounding areas were selected as the Manhattan Project (Hanford) Site. The population increased from 300 to 15,000 in one year. The Hanford site continues to fuel the Tri-Cities economy and the scientific community with Battelle's Pacific Northwest National Laboratory, the Laser Interferometer Wave Observatory and numerous others located there.

Focus changed in the late 1980's to toxic waste clean-up and environmental restoration. During the 1990's Westinghouse was the primary contractor for the cleanup. In 1996 Fluor Daniel took over. Bechtel National is the primary subcontractor. In 2000 Bechtel was awarded a \$4 billion contract to construct a vitrification plant. The contract added jobs and revenue to the counties and fueled demand for office space and housing. Recently the new U.S Secretary of Energy, Steven Chu, has stepped up the urgency in the clean-up campaign and additional jobs were added as that plan proceeds.

A good share of the funding came from stimulus expenditures. In January 2011, the department of Energy decided not to renew the proposed Special Voluntary Retirement Program. These funds were mainly assigned to the central Hanford and ground water clean-up projects, and the main contractors involved laid off an estimated 1,600 workers at the end of the fiscal year, October 2011. To the extent possible these layoffs were made through natural attrition, mitigating the impact of the region. Some contractors picked up many of these people and the estimated loss of 1,600 jobs is considered the maximum direct impact, although there were likely losses due to reduced trade and expenditure. As a result the market changed in 2011 and managers and real estate professionals interviewed estimate that apartment vacancy would increase to between 3% and 6%.

Despite the cutbacks, overall, the employment picture has been mostly positive, with the unemployment rate generally mirroring the State's from 2006 up through 2008. Between 2008 and 2011, the Tri-Cities region outperformed the State with lower unemployment rate, but a reversal occurred in 2012 where the State's unemployment rate is now lower than the region as shown in the following chart.



Agriculture also plays a key role in the economy. There are one million acres of irrigated land with another million in reserve. Major agriculture/food businesses located in the region include ConAgra, Tyson Foods, Broetje Orchards, and Wyckoff Farms. The Port of Pasco Processing Center provides extensive resources for food processing.

EMPLOYMENT GROWTH

Up through 2011, the region was unique in that non-agricultural employment continued to grow, particularly after the recession hit other parts of the State and Country in 2008. Between 2000 and 2005, non-agriculture employment grew at an annual rate of 3.1% and 2.8% between 2005 and 2010. Between 2010 and 2011, the growth rate was more than half at 1.3%. Sectors exhibiting strong growth included Construction & Mining, Professional & Business Services, Education & Health Services and Financial Activities. The latter three make up what is more commonly known as the Service and Trade Sector. The growth over this time frame was fueled by the stimulus funding for the clean-up efforts and the vitrification plan associated with Hanford. However, that funding was lost and between 2011 and 2012, over 2,700 jobs were lost.

Since 2015, there has been improvement across the board in all sectors, except Transportation, Warehousing & Utilities. The following tables chart non-agriculture growth between 2010 and 2017 as well as year over year changes from May 2017 and May 2018. Current unemployment is 5.2%, unchanged from 12 months prior.

Non-Agriculture Employment in Tri Cities MSA (2010-2017)
(Benton-Franklin Counties)

Industry Sector	2010	2011	2012	2013	2014	2015	2016	2017	Ann. % Chg	
									2010-15	2015-17
Construction & Mining	6,200	6,500	6,000	6,200	6,300	6,700	7,100	8,000	1.6%	9.7%
Manufacturing	7,100	7,100	7,400	7,300	7,700	7,900	7,600	8,100	2.3%	1.3%
Trans/Warehousing/Utilities	5,200	5,200	5,400	5,700	6,000	6,400	6,400	6,200	4.6%	-1.6%
Retail Trade	11,400	11,500	11,700	11,800	12,100	12,700	13,100	13,400	2.3%	2.8%
Financial Activities	3,600	3,600	3,800	4,000	3,900	4,000	4,100	4,000	2.2%	0.0%
Professional & Business Service	24,500	24,900	21,700	20,800	20,700	21,200	22,000	21,400	-2.7%	0.5%
Education & Health Services	13,000	13,300	13,400	13,700	14,400	14,800	15,200	15,600	2.8%	2.7%
Leisure & Hospitality	9,000	9,400	9,500	9,500	9,800	10,400	11,000	11,400	3.1%	4.8%
Services-Other	4,000	4,300	4,100	4,000	4,200	4,200	4,300	4,400	1.0%	2.4%
Government	18,000	18,100	18,200	18,500	18,600	19,000	19,700	20,000	1.1%	2.6%
Total NonAgr. Employment	102,000	103,900	101,200	101,500	103,700	107,300	110,500	112,500	1.0%	2.4%

Source: Washington State Employment Security Department; Numbers represent annual averages

Changes by Sector in Tri Cities MSA May 18 vs May 17

Industry Sector	2018	2017	Year over Year	
			No Chg.	% Chg.
Construction & Mining	9,600	9,200	400	4.3%
Manufacturing	7,300	7,900	(600)	-7.6%
Trans/Warehousing/Utilities	6,200	6,600	(400)	-6.1%
Retail Trade	13,800	13,100	700	5.3%
Financial Activities	3,900	3,900	0	0.0%
Professional & Business Service	21,200	21,300	(100)	-0.5%
Education & Health Services	16,300	15,400	900	5.8%
Leisure & Hospitality	12,100	11,500	600	5.2%
Services-Other	4,400	4,500	(100)	-2.2%
Government	20,500	20,300	200	1.0%
Total NonAgr. Employment	115,300	113,700	1,600	1.4%
Civilian Labor Force	138,372	137,427	945	0.7%
Resident Employment	131,181	130,261	920	0.7%
Unemployment	7,191	7,166	25	0.3%
Unemployment Rate	5.2%	5.2%	(0.0)	-0.3%

Source: Washington State Employment Security Department

The current unemployment rate at 5.2% is below the annual average. This is due to the seasonality of the workforce, which typically is higher during the summer and fall months due to the ongoing harvest of agricultural products. Comparing to the unemployment rate 12 months prior, the rate is unchanged. Upon closer review, the number of individuals entering the labor force looking for employment increased by 945 people over the past 12 months. Those finding work totaled 920,

resulting in a minor upward blip in unemployment, but not enough to increase the overall rate. Those numbers pertain to individuals living in the Tri-Cities region but found work either within or outside the region. On the non-agricultural side (jobs within the region), employment grew by 1,600 or 1.4%. Leading the way was Education & Health Services (+900 jobs), Retail Trade (+600 jobs), Leisure & Hospitality (+600 jobs), and Construction (+400 jobs). These gains helped offset losses in Manufacturing (-600 jobs), Transportation, Warehousing & Utilities (-400 jobs) as well as Professional & Business Services and Services-Other (-100 jobs each).

Major Employers in Tri Cities MSA

Company	Business Type	Employees
1 Battelle/Pacific NW National Lab.	Research & Dev.	4,500
2 Kadlec Medical Center	Health Services	3,532
3 Lamb Weston	Food Processing	3,000
4 Bechtel National	Engineering/Construction	2,943
5 Kennewick School District	Education	2,336
6 Washington River Protection	Environmental	2,129
7 Pasco School District	Education	2,015
8 Mission Support Alliance	Government	1,902
9 CH2M Hill	Professional Bus Svcs	1,682
10 Richland School District	Education	1,500
11 Tyson Foods	Agriculture/Food	1,300
12 Trios Health	Health Services	1,268
13 Energy Northwest	Research & Dev.	1,100
14 Broetje Orchards	Agriculture/Food	920
15 Lourdes Health Network	Health Services	804

Source: Tri City Development Council

MAJOR EMPLOYERS

The table above lists the top 15 major employers in the Tri Cities as compiled by TRIDEC. The primary employer for the Tri-Cities area is the Department of Energy (DOE). According to the DOE website, the environmental cleanup at Hanford, a project that has been ongoing since 1989, and in early 2018, includes about 11,000 employees, or about 10% of the non-ag workforce.

The Hanford site comprises about 580 sq miles adjacent to the Columbia River. The last reactor was shut down in 1987, but at that point 44 years of plutonium production generated millions of tons of solid waste and contaminated soil, as well as billions of gallons of contaminated liquids. Since the start of the cleanup in 1989, 7.5 million gallons of pumpable liquid waste have been removed and transferred from underground storage tanks; 2,00 tons of the site's spent fuel, has been removed from areas around the river and placed in dry storage; 18 million tons of soil

and debris have been disposed of; 2.8 million gallons of chemical and radioactive thick sludge and saltcake waste have been retrieved underground storage tanks; and 1,314 waste sites including hundreds along the Columbia River's south shores have been remediated or cleaned of pollution and contaminants. With the ongoing clean-up, it is dependent upon the Federal Government funding. Last August (2017), \$195.7 million in additional federal funding was secured. However, the Trump Administration is now proposing to cut \$230 million on the Hanford spending, which could put at jeopardy, the continued clean-up effort. Washington State's congressional delegation is working to ensure that these cuts do not happen. Any cuts will prolong the effort to complete the cleanup effort.

Wholesale and retail trade, services, and government are the three largest non-agricultural employers in the Tri-Cities. Of the three categories, the service sector is the largest source of employment in the Tri-Cities. Employment in research and business services is one of the Tri-Cities' economic foundations and includes such firms as Battelle-Northwest, Westinghouse-Hanford, and Chevron Chemical, to name just a few. Although the Hanford divisions are by far the largest employer, other employment is also a significant contributor to the economy.

Colleges in the area include Columbia Basin Community College and a Washington State University campus in Richland. Hospitals in the Tri-Cities area include Our Lady of Lourdes Health Center in Pasco, Kadlec Medical Center in Richland, and Trios Health (formerly Kennewick General Hospital) in Kennewick, although Trios is having financial difficulties, filing for bankruptcy in 2017. The end results include loss of jobs and a restructuring that may take up to three years to work through.

Wine Industry Trends

The region is also noted for agriculture, most notably in recent years with the growth in the wine industry. Washington is the second largest producer of grapes in the country, well behind California. There are over 55,000 acres of vineyards within 14 American Viticulture Areas (AVAs) in the State. Within the Tri-Cities, AVAs include Horse Heaven Hills, Red Mountain, Walla Walla, and Columbia Valley, which account for nearly 47% of the acreage planted with wine grapes. 2016 was a record year for production with 270,000 tons produced at an average price/ton of \$1,160. 2017 results were lower at 229,000 tons. The production included nearly 70 varieties including 64% reds and 36% whites. .

Retail Trade

The region's major retail areas are located near the Columbia Center Mall in northwest Kennewick. New retail developments have been built in

Richland north of I-182 near the new Wal-Mart. Most of Pasco's retail properties are located within two blocks of US Hwy. 395/12. There is an outlet mall located north of I-182 and a new neighborhood shopping with Lowes and Walmart just built near Rd. 68.

The following table summarizes taxable retail sale spending in the region since 2012.

Taxable Retail Sales Benton-Franklin Counties 2012-2017						
	2012	2013	2014	2015	2016	2017
Benton County						
Unincorporated	\$182,440,926	\$236,097,396	\$230,907,711	\$285,725,233	\$268,173,916	\$292,743,287
% Change	-20.6%	29.4%	-2.2%	23.7%	-6.1%	9.2%
Benton City	\$36,615,170	\$38,889,689	\$38,010,984	\$36,299,779	\$42,316,799	\$42,513,651
% Change	11.1%	6.2%	-2.3%	-4.5%	16.6%	0.5%
Kennewick	\$1,634,408,307	\$1,723,129,112	\$1,768,985,161	\$1,930,747,112	\$2,002,185,269	\$2,024,430,731
% Change	4.9%	5.4%	2.7%	9.1%	3.7%	1.1%
Prosser	\$113,206,280	\$127,179,780	\$134,798,275	\$144,544,432	\$153,932,509	\$169,532,708
% Change	0.6%	12.3%	6.0%	7.2%	6.5%	10.1%
Richland	\$903,715,002	\$989,662,285	\$1,041,223,862	\$1,129,471,266	\$1,207,961,570	\$1,259,515,328
% Change	-5.4%	9.5%	5.2%	8.5%	6.9%	4.3%
West Richland	\$67,269,610	\$74,896,805	\$70,655,854	\$85,985,395	\$115,299,634	\$116,907,793
% Change	-6.0%	11.3%	-5.7%	21.7%	34.1%	1.4%
Total Benton County	\$2,937,655,295	\$3,189,855,067	\$3,284,581,847	\$3,612,773,217	\$3,789,869,697	\$3,905,643,498
% Change	-0.8%	8.6%	3.0%	10.0%	4.9%	3.1%
Franklin County						
Unincorporated	\$128,926,779	\$142,733,108	\$144,240,923	\$155,843,514	\$145,072,912	\$164,707,177
% Change	-0.2%	10.7%	1.1%	8.0%	-6.9%	13.5%
Connell	\$37,960,126	\$23,849,302	\$24,871,666	\$25,788,887	\$23,169,479	\$27,069,628
% Change	25.4%	-37.2%	4.3%	3.7%	-10.2%	16.8%
Kahlotus	\$1,121,604	\$861,746	\$946,328	\$935,363	\$1,295,376	\$1,488,731
% Change	-17.1%	-23.2%	9.8%	-1.2%	38.5%	14.9%
Mesa	\$8,024,474	\$9,511,061	\$9,163,637	\$8,333,617	\$8,467,018	\$7,775,452
% Change	10.6%	18.5%	-3.7%	-9.1%	1.6%	-8.2%
Pasco	\$861,063,279	\$933,301,675	\$1,016,794,531	\$1,125,060,910	\$1,250,472,836	\$1,333,597,814
% Change	2.6%	8.4%	8.9%	10.6%	11.1%	6.6%
Total Franklin County	\$1,037,096,262	\$1,110,256,892	\$1,196,017,085	\$1,315,962,291	\$1,428,477,621	\$1,534,638,802
% Change	3.0%	7.1%	7.7%	10.0%	8.6%	7.4%
Two-County Total	\$3,974,751,557	\$4,300,111,959	\$4,480,598,932	\$4,928,735,508	\$5,218,347,318	\$5,440,282,300
% Change	0.2%	8.2%	4.2%	10.0%	5.9%	4.3%

Source: Washington Department of Revenue

Retail sales have for the most part increased in the 1990s up through 2008. In 2009, sales dropped 2.8%, but then recovered in 2010 with an increase of 4.0%. Sales have increased every year since, although 2012 was mostly flat at 0.2%. 2015 saw sizable increase of 10%, while 2016 and 2017 were lower at 5.9% and 4.3% respectively. The table above summarizes trends between 2012 and 2017.

**Governmental
Forces**

Local counties are governed by a County Executive/County Council structure, whose jurisdiction is all unincorporated areas within each county. Each county government oversees the assessment and collection of property taxes and other special assessments, public safety, planning, development, land use, public works, judicial matters, and public health. Similar to the county government, the city government oversees building codes and permits, land use (zoning), public safety, public works, public health and judicial matters.

Two areas that have affected property values in recent years include the passage of the Growth Management Act of 1990 (GMA), which was intended as a major step in the development of rational policies to sustain growth in Washington. All urban counties and cities have developed and adopted comprehensive plans and regulations with regards to land use, transportation, housing, capital facilities, natural environment, and economic development. More specifically, one of the goals was to reduce urban sprawl by creating higher density developments within the urban core of metropolitan areas.

Governmental forces have also affected real property values in the area of wetlands. While there are no comprehensive state wetland laws in Washington, most local municipalities have regulations regarding wetlands. In addition, each city attempts to accomplish the Federal mandate of a “no net loss” goal through mitigation, a process, which includes possible creation of new wetlands and can be very expensive, and possibly deterring potential development.

Environment

Environmental forces that affect property values include climatic conditions, topography, natural barriers, transportation systems, and surrounding property uses. The Tri-Cities have a pleasant desert climate with warm summers and moderate winter temperatures. Benton and Franklin Counties are located on lowland on the Columbia Plateau between the Cascade Mountains and the Northern Rocky Mountains. The topography generally consists of a basin and valley bottomland, with upland plateaus. The area is crossed by long mountain ridges.

The region has an abundance of waterways. The Columbia River is a major resource of the area. Its dams and lakes are used for navigation, recreation, irrigation, and power production. The Yakima River provides irrigation for Benton County. The Snake River, combined with the Columbia is a key component to the transportation network of the Pacific Northwest, navigable as far as Clarkston and Lewiston on the Washington-Idaho border. It is also a significant fishery resource.

**Regional Real Estate
Trends**

Office Market: Most of the region's office and high-tech development is located in north Richland. Recently there has been an increase in office and business park construction near Vista Field and Columbia Place in Kennewick. Several new medical and professional office buildings have been built near Kennewick General Hospital. More office buildings are being built in Columbia Place west of Columbia Center Mall. As supply had remained tight and new jobs were added to the market over the past few years, the office market has been stable. Looking ahead, the health of the office market will ultimately hinge on which direction job growth goes and the overall sustainability of government contract work, which remains to be seen. According to CoStar, the current vacancy as of the 2nd Quarter 2018 is 3.9% compared to 6.4%, from the previous quarter. The 2nd quarter was very active with nearly 174,000 sq ft of positive net absorption, easily outpacing new deliveries of 11,000 sq ft. The market contains 6.67 million sq ft (451 buildings). There are three projects under construction (24,080 sq ft). Current average asking rent is \$15.57/sq ft, full-service. Average asking rents have generally been fluctuating between \$15.00 and \$15.65/sq ft over the past seven quarters.

Industrial Market: The counties industrial uses are primarily located in Southeastern Pasco, north of the Columbia River and near the Tri-Cities Airport. Kennewick Industrial Park, part of the Vista Field development has also added a few light industrial buildings. The health of the agricultural market also influences this sector and is currently showing trends of growth. According to CoStar, there are 278 buildings totaling 7.39 million sq ft with a vacancy of 4.6% as of the 2nd quarter 2018, with current blended asking rent of \$0.51/sq ft. The vacancy rate is up 40 basis points from the prior quarter. CoStar indicates there are four projects currently under construction (52,825 sq ft) and one project (6,500 sq ft) was delivered during the quarter.

Retail Market: The region's major retail areas are located near the Columbia Center Mall in northwest Kennewick. Other retailers locating in Kennewick during the past decade are the Colonnade Power Center, Bed, Bath & Beyond Plaza, K-Mart Plaza, Target Plaza, Costco, Lowes Hardware, Best Buy, and several other "big box" retailers. New retail developments have been built in Richland north of I-182 near the new Wal-Mart. Most of Pasco's retail properties are located within two blocks of US Hwy. 395/12. There is an outlet mall located north of I-182 and a new neighborhood shopping with Lowes and Walmart just built near Rd. 68. According to CoStar, the market totals 11.84 million sq ft (776 buildings) with a vacancy rate of 4.0% as of the 2nd quarter 2018. Vacancy has remained below 5% since the 3rd quarter of 2015. Average

triple net rent is currently \$16.47/sq ft. Presently there 11 projects totaling 122,488 sq ft under construction.

Conclusion

Population growth, employment and economic growth continue to be good. There are some concerns looking forward, such as potential funding cuts from the Federal Government on the Hanford clean-up and the bankruptcy of one of the local hospitals. Overall, though the market has diversified and has been one of the better performing markets, the region will likely continue to be prone to some swings in employment.

Homeless Definitions

The McKinney-Vento Homeless Assistance Act
As amended by S. 896 The Homeless Emergency Assistance and Rapid Transition to
Housing (HEARTH) Act of 2009

SEC. 103. [42 USC 11302]. GENERAL DEFINITION OF HOMELESS INDIVIDUAL.

(a) In general - For purposes of this Act, the terms “homeless”, “homeless individual”, and “homeless person” means

- (1) an individual or family who lacks a fixed, regular, and adequate nighttime residence;
- (2) an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- (3) an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing);
- (4) an individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
- (5) an individual or family who—
 - (A) will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, as evidenced by—
 - (i) a court order resulting from an eviction action that notifies the individual or family that they must leave within 14 days;
 - (ii) the individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days; or
 - (iii) credible evidence indicating that the owner or renter of the housing will not allow the individual or family to stay for more than 14 days, and any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause;
 - (B) has no subsequent residence identified; and

(C) lacks the resources or support networks needed to obtain other permanent housing; and

(6) unaccompanied youth and homeless families with children and youth defined as homeless under other Federal statutes who—

(A) have experienced a long term period without living independently in permanent housing,

(B) have experienced persistent instability as measured by frequent moves over such period, and

(C) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

(b) **DOMESTIC VIOLENCE AND OTHER DANGEROUS OR LIFE-THREATENING CONDITIONS.**—Notwithstanding any other provision of this section, the Secretary shall consider to be homeless any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or lifethreatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.

(c) **INCOME ELIGIBILITY.**—

(1) **IN GENERAL.**—A homeless individual shall be eligible for assistance under any program provided by this Act, only if the individual complies with the income eligibility requirements otherwise applicable to such program.

(2) **EXCEPTION.**—Notwithstanding paragraph (1), a homeless individual shall be eligible for assistance under title I of the Workforce Investment Act of 1998.

(d) **EXCLUSION.**—For purposes of this Act, the term “homeless” or “homeless individual” does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.

(e) **PERSONS EXPERIENCING HOMELESSNESS.**—Any references in this Act to homeless individuals (including homeless persons) or homeless groups (including homeless persons) shall be considered to include, and to refer to, individuals experiencing homelessness or groups experiencing homelessness, respectively.

Section 725(2) of the McKinney-Vento Homeless Assistance Act.

The term homeless children and youths'—

(A) means individuals who lack a fixed, regular, and adequate nighttime residence (within the meaning of section 103(a)(1)); and

(B) includes—

- (i) children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;
- (ii) children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings (within the meaning of section 103(a)(2)(C));
- (iii) children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
- (iv) migratory children (as such term is defined in section 1309 of the Elementary and Secondary Education Act of 1965) who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in clauses (i) through (iii).

Appraiser's Experience



Jeremy Streufert, MAI

Senior Vice President

Valuation Advisory Services

CAREER SUMMARY

Jeremy Streufert has been actively engaged in the appraisal of real estate since joining Kidder Mathews in 2001. Jeremy's experience includes appraisals, market studies, and feasibility analysis on a variety of property types with a focus on the multifamily market including conventional market rate rental housing and the affordable housing sector. Affordable housing experience includes appraisals and market studies involving the low income housing tax credit program, HUD subsidized housing, public housing and other affordable housing programs. Areas of experience include work in Washington, Oregon and Idaho.

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EDUCATION

Bachelor of Science, Civil Engineering, Washington State University (1999)

PROFESSIONAL AFFILIATIONS

MAI designation - Appraisal Institute (2016)

PROFESSIONAL LICENSES

- State of Washington - Certified General Real Estate Appraiser (No. 1101799)
- State of Oregon - Certified General Real Estate Appraiser (No. C001007)
- State of Idaho - Certified General Real Estate Appraiser (No. CGA-3816)

Jeremy Streufert, MAI continued

PARTIAL CLIENT LIST

Corporations/Owners/ Developers

Bellwether Housing
.....
Inland Group
.....
JH Brawner & Company
.....
Low Income Housing Institute
.....
Pacific Northern Construction
Company, Inc.
.....
Shelter Resources
.....
Vintage Housing
.....
Whitewater Creek Inc.
.....

Financial Institutions

Bank of America
.....
CBRE HMF, Inc.
.....
Centennial Mortgage, Inc.
.....
Citibank
.....
Columbia Bank
.....
JPMorgan Chase
.....
Mountain West Bank
.....
US Bank
.....
Walker & Dunlop
.....

Government/Housing Authorities

Bremerton Housing Authority
.....
Everett Housing Authority
.....
King County Housing Authority
.....
Peninsula Housing Authority
.....
Pierce Transit
.....
Seattle Housing Authority
.....
Tacoma Housing Authority
.....
US Department of HUD
.....
Vancouver Housing Authority
.....

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A



CERTIFIED GENERAL REAL ESTATE APPRAISER

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1101799

License Number

12/08/2006

Issued Date

12/08/2020

Expiration Date

Teresa Berntsen
Teresa Berntsen, Director